

**CC FORM 1 – GENERAL CONTACT INFORMATION, TAXPAYER
IDENTIFICATION AND AFFIRMATIONS**

1	COMPANY NAME (legal name, and any d/b/a name(s), if applicable)	Perfect Union – RI, DBA Perfect Union
	Application ZONE#	M-1 Light Industrial District (note separate applications and application fees are required to apply to multiple zones)
2	BUSINESS STREET ADDRESS	65 Meadow Street
3	CITY, STATE, ZIP	Warwick, R.I. 02886
4	STREET ADDRESS OF PROPOSED LICENSED PREMISES FOR RETAIL SALES OF MEDICAL MARIJUANA	52 River Ave
5	CITY, STATE, ZIP	Providence, R.I. 02908
6	PLAT#/LOT# OF PROPOSED LICENSED PREMISES FOR RETAIL SALES OF MEDICAL MARIJUANA	Plat/Lot: 065-0152-0000 Lot Area: 11020

7	SQUARE FOOTAGE OF PROPOSED FACILITY FOR RETAIL SALE OF MARIJUANA	1,925
8	FEIN: (Federal Employer Identification Number)	██████████
9	TELEPHONE NUMBER	██████████
10	FAX NUMBER (if not applicable, put "N/A")	<u>N/A</u>
11	TOLL FREE NUMBER (if not applicable, put "N/A")	<u>N/A</u>
12	COMPLIANCE OFFICER Identification and Contact Information	Applicant must appoint a Compliance Officer to whom information, notices, and documents will be sent. The Department reserves the right to contact and/or send notices and other correspondence to Applicant by email and/or post mail. It is Applicant's responsibility to ensure that the Compliance Officer information is correct and up to date at all times following application and throughout licensure.
	Name:	Robert Grillo
	Title:	Compliance Officer
	Mailing Address:	65 Meadow Street Warwick, R.I. 02886
	Email Address:	██████████
	Phone Number	██████████

Fax Number (if not applicable, put "N/A")	<u>N/A</u>
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TAXPAYER STATUS

All persons and entities applying for or renewing any license, registration, permit, or other authority (hereinafter called "licensee") to conduct a business or occupation in the state of Rhode Island are required to file all applicable tax returns and pay all taxes owed to the state prior to receiving a license as mandated by R.I. Gen. Laws Chapter 5-76, except as noted below.

PLEASE CHECK ONE BOX BELOW OR APPLICATION WILL BE CONSIDERED INCOMPLETE

- ☐ I hereby declare, under penalty of perjury, that I have filed all required state tax returns and have paid all taxes owed.
- ☒ I have entered a written installment agreement to pay delinquent taxes that is satisfactory to the Tax Administrator.
- ☐ I am currently pursuing administrative review of taxes owed to the state.
- ☐ I am in federal bankruptcy. (Case # _____)
- ☐ I am in state receivership. (Case # _____)
- ☐ I have been discharged from Bankruptcy. (Case # _____)

 Name of Taxpayer/Entity
 Number

 Social Security or Federal Tax Identification

CC Form 1 – Addendum

Tax Status

Richard M. McAuliffe Jr. has successfully completed filing of his 2019 taxes with Rhode Island. Richard is currently working with the Rhode Island Department of Revenue Division of Taxation on payment arrangements in response to COVID-19 and in compliance with the Department's regulations.

CC Form 1 – Affirmations

Perfect Union – RI hereby understands and affirms the following:

1. The burden of proving an Applicant's qualifications rests on the party applying for the license.
2. The Department of Business Regulation may deny an Application that contains a material misstatement, omission, misrepresentation, or untruth.
3. An Application shall be complete in every material detail.
4. The Department of Business Regulation may rescind its approval of a Compassion Center License if Applicant has not completed the pre-requisites for issuance of the license as described in the Regulations within nine (9) months of their approval.
5. Regarding the location of the licensed premises, Applicant commits to the following:
 - a. The premises and operations of Applicant shall conform to local zoning requirements.
 - b. The Compassion Center License shall be conspicuously displayed at the licensed premises.
6. Regarding manufacturing, Applicant commits to having any form of manufacturing that uses a heat source or flammable/combustible material approved by the State Fire Marshal and/or the local fire department.
7. Applicant commits to not using any compressed, flammable gas as a solvent in any solvent extraction process, manufacturing or for any other purpose.
8. Applicant commits to not acquiring medical marijuana from anyone other than a licensed cultivator in accordance with the Act and the Regulations.
9. Applicant commits to the limitations set forth in the Act and the Regulations and understands that they are limited to possessing marijuana only as permitted in the Act and the Regulations.
10. Applicant understands that the licensed premises may not be within 1,000 feet of the property line of a preexisting public or private school.
11. Applicant hereby acknowledges that its employees covered by the National Labor Relations Act or the Rhode Island State Labor Relations Act have the right to form, attempt to form or join a union in the workplace. Applicant acknowledges that its covered employees may be fairly represented by a union if one is formed. Applicant also acknowledges that its employees have the right to refuse to do any or all of these things and that Applicant may not interfere with, restrain or coerce employees in the exercise of these rights.
12. Applicant understands that a licensed compassion center and any interest holders/key persons thereof may not have any material financial interest or control in another Rhode Island licensed compassion center, licensed cultivator or a licensed cooperative cultivation or in a Rhode Island Department of Health approved third party testing provider and vice versa.

SIGNATURE FOR CC FORM 1

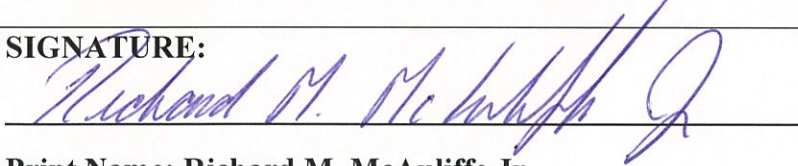
The undersigned attests that Applicant organization understands and will adhere to the all requirements of the Act and the Regulations, including but not limited to those listed above, and that they have the authority to bind Applicant organization to all requirements.

The undersigned Authorized Signatory of Applicant hereby acknowledges and agrees that Applicant/Licensee has a continuing obligation to disclose any changes to the entirety of this Application for Medical Marijuana Compassion Center License and shall provide written notice to the Department within thirty (30) days of any change of the information provided herein including all Forms, Annexes, Exhibits, Documents and Deliverables submitted in connection with or as part of the application process; each such notice shall include an updated Form, Annex, Exhibit, Document or Deliverable, as the case may be.

Under penalty of perjury, the undersigned hereby declares and verifies that all statements on and information contained in this Application including all Forms, Annexes, Exhibits, Documents and Deliverables submitted herewith, are complete, true, correct and accurate.

AUTHORIZED SIGNATORY SIGNATURE

SIGNATURE:



Print Name: Richard M. McAuliffe Jr.

Print Title: President/CEO

DATE:

12/9/2020

CC FORM 2
Disclosure of Owners and Other Interest Holders

Name of Applicant/Licensee: Perfect Union - RI

Section I: Owners and Other Interest Holders

List (A.) all persons and/or entities with any ownership interest with respect to applicant/licensee, **and** (B.) all officers, directors, members, managers or agents of applicant/licensee, **and** (C.) all persons or entities with managing or operational control with respect to applicant/licensee, its operations, the license and/or licensed facilities whether they have an ownership interest or not, **and** (D.) all investors or other persons or entities with any financial interest whether they have ownership interest or not, **and** (E.) all persons or entities that hold interest(s) arising under shared management companies, management agreements, or other agreements that afford third-party management or operational control with respect to applicant/licensee, its operations, the license and/or the licensed facilities (all persons and entities described in (A)-(E) being hereinafter individually referred to as an "Interest Holder" and collectively referred to as "Interest Holders").

To the extent that any Interest Holder is an entity (corporation, partnership, LLC, *etc.*), list all Interest Holders in that entity until all such Interest Holders are identified and disclosed down to the individual person level. Attach a separate sheet(s) if necessary.

A. LIST ALL PERSONS AND/OR ENTITIES WITH ANY OWNERSHIP INTEREST IN APPLICANT/LICENSEE (including corporation stockholders, LLC members, and partners if a partnership; this includes parent companies if applicant/licensee is a subsidiary of another entity).

To the extent that any Interest Holder is an entity (corporation, partnership, LLC, *etc.*), list all Interest Holders in that entity until all such Interest Holders are identified and disclosed down to the individual person level.

Name OSCC, LLC *not an owner but a member	Title Member	SSN/FEIN [REDACTED]	DOB [REDACTED]	App submitted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Address (residence if an individual) [REDACTED]	City Warwick	State R.I.	ZIP 02886	Phone Number [REDACTED]
Business Associated with (Applicant, parent business or sub-entity) Perfect Union - RI	Own. % Business Associated with Member of Perfect Union - RI			Effective Own. % in Applicant Member of Perfect Union - RI
Name See Schedule 1 for Interest Holder Details	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No

B. LIST ALL OFFICERS, DIRECTORS, MANAGERS, MEMBERS OR AGENTS OF APPLICANT/LICENSEE AND ANY OTHER ENTITIES DESCRIBED IN SECTION A.

To the extent that any such Interest Holder is an entity (corporation, partnership, LLC, *etc.*), list all Interest Holders in that entity until all such Interest Holders are identified and disclosed down to the individual person level.

Name Richard M. McAuliffe Jr.	Title Director, President, CEO	SSN/FEIN [REDACTED]	DOB [REDACTED]	App submitted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Address (residence if an individual) [REDACTED]	City East Greenwich	State R.I.	ZIP 02818	Phone Number [REDACTED]
Business Associated with (Applicant, parent business or sub-entity) Perfect Union - RI	Title (officer, director, manager, etc.) Director, President, CEO			

Name Jeff Michael Taylor	Title Director, Secretary, COO, GM	SSN/FEIN [REDACTED]	DOB [REDACTED]	App submitted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Address (residence if an individual) [REDACTED]	City Warwick	State R.I.	ZIP 02888	Phone Number [REDACTED]
Business Associated with (Applicant, parent business or sub-entity) Perfect Union - RI		Title (officer, director, manager, etc.) Director, Secretary, COO, GM		
Name Robert Grillo	Title Director, Treasurer, Compliance Officer	SSN/FEIN [REDACTED]	DOB [REDACTED]	App submitted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Address (residence if an individual) [REDACTED]	City North Kingston	State R.I.	ZIP 02852	Phone Number [REDACTED]
Business Associated with (Applicant, parent business or sub-entity) Perfect Union - RI		Title (officer, director, manager, etc.) Director, Treasurer, Compliance Officer		
Name OSCC, LLC	Title Member; Manager of Cultivation/QC for Perfect Union - RI with [REDACTED] of management rights	SSN/FEIN [REDACTED]	DOB [REDACTED]	App submitted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Address (residence if an individual) [REDACTED]	City Warwick	State R.I.	ZIP 02886	Phone Number [REDACTED]
Business Associated with (Applicant, parent business or sub-entity) Perfect Union - RI		Title (officer, director, manager, etc.) Member; Manager of Cultivation/QC for Perfect Union - RI with [REDACTED] of management rights		
Name See Schedule 1 for Interest Holder details	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
C. LIST ALL PERSONS OR ENTITIES WHO HAVE MANAGING OR OPERATIONAL CONTROL WITH RESPECT TO APPLICANT/LICENSEE, ANY OTHER ENTITIES DESCRIBED IN SECTIONS A OR B, ITS OPERATIONS, THE LICENSE, AND/OR LICENSED FACILITIES (WHETHER THEY HAVE AN OWNERSHIP INTEREST OR NOT).				
<p>To the extent that any such Interest Holder is an entity (corporation, partnership, LLC, <i>etc.</i>), list all Interest Holders in that entity until all such Interest Holders are identified and disclosed down to the individual person level.</p>				
Name Richard M. McAuliffe Jr.	Title Director, President, CEO	SSN/FEIN [REDACTED]	DOB [REDACTED]	App submitted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Address (residence if an individual) [REDACTED]	City East Greenwich	State R.I.	ZIP 02818	Phone Number [REDACTED]
Business Associated with (Applicant, parent business or sub-entity) Perfect Union - RI		Role, interest, etc. Director, President, CEO		
Name OSCC, LLC	Title Member; Manager of Cultivation/QC of Perfect Union – RI per “management contract”	SSN/FEIN [REDACTED]	DOB [REDACTED]	App submitted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Address (residence if an individual) [REDACTED]	City Warwick	State R.I.	ZIP 02886	Phone Number [REDACTED]
Business Associated with (Applicant, parent business or sub-entity) Perfect Union - RI		Role, interest, etc. Member; Manager of Cultivation/QC for Perfect Union - RI with [REDACTED] of management rights		
Name See Schedule 2 for Interest Holders having managerial or operational control RE OSCC, LLC	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
D. LIST ALL INVESTORS OR OTHER PERSONS OR ENTITIES WHO HAVE ANY FINANCIAL INTEREST WITH RESPECT TO APPLICANT/LICENSEE, ANY OTHER ENTITIES DESCRIBED IN SECTIONS A, B OR C, ITS OPERATIONS, THE LICENSE, AND/OR LICENSED FACILITIES (WHETHER THEY HAVE AN OWNERSHIP INTEREST OR NOT).				
To the extent that any such Interest Holder is an entity (corporation, partnership, LLC, <i>etc.</i>), list all Interest Holders in that entity until all such Interest Holders are identified and disclosed down to the individual person level.				
Name OSCC, LLC	Title Member; Manager of Cultivation/QC of Perfect Union - RI per "management contract"	SSN/FEIN [REDACTED]	DOB [REDACTED]	App submitted? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Address (residence if an individual) [REDACTED]	City Warwick	State R.I.	ZIP 02886	Phone Number [REDACTED]
Business Associated with (Applicant, parent business or sub-entity) Perfect Union - RI		Interest Member of Perfect Union - RI; Manager of Cultivation/QC of Perfect Union - RI with [REDACTED] of "Management Rights" and provider of funding and assets for benefit of Perfect Union - RI.		
Name MWG Holdings Group, Inc.	Title Member of OSCC, LLC	SSN/FEIN [REDACTED]	DOB [REDACTED]	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address (residence if an individual) [REDACTED]	City Sacramento	State CA	ZIP 95815	Phone Number [REDACTED]
Business Associated with (Applicant, parent business or sub-entity) Perfect Union - RI and OSCC, LLC		Interest [REDACTED] equity owner of OSCC, LLC which is a Member of Perfect Union - RI; Manager of Cultivation/QC of Perfect Union - RI with [REDACTED] of "Management Rights" and provider of funding and assets for benefit of Perfect Union - RI.		
Name See Schedule 1 for Interest Holders RE: OSCC, LLC and MWG Holdings Group, Inc.	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No

E. LIST ALL PERSONS OR ENTITIES THAT HOLD INTEREST(S) ARISING UNDER SHARED MANAGEMENT COMPANIES, MANAGEMENT AGREEMENTS, OR OTHER AGREEMENTS THAT AFFORD THIRD-PARTY MANAGEMENT OR OPERATIONAL CONTROL WITH RESPECT TO APPLICANT/LICENSEE, ITS OPERATIONS, THE LICENSE AND/OR THE LICENSED FACILITIES.

To the extent that any such Interest Holder is an entity (corporation, partnership, LLC, *etc.*), list all Interest Holders in that entity until all such Interest Holders are identified and disclosed down to the individual person level.

Name OSCC, LLC	Title Member; Manager of Cultivation/QC of Perfect Union - RI per "management contract"	SSN/FEIN [REDACTED]	DOB [REDACTED]	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address (residence if an individual) [REDACTED]	City Warwick	State R.I.	ZIP 02886	Phone Number [REDACTED]
Business Associated with (Applicant, parent business or sub-entity) Perfect Union - RI		Interest Member of Perfect Union - RI; Manager of Cultivation/QC of Perfect Union - RI with [REDACTED] of "Management Rights" and provider of funding and assets for benefit of Perfect Union - RI.		
Name MWG Holdings Group, Inc.	Title Member of OSCC, LLC	SSN/FEIN [REDACTED]	DOB [REDACTED]	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address (residence if an individual) [REDACTED]	City Sacramento	State CA	ZIP 95815	Phone Number [REDACTED]
Business Associated with (Applicant, parent business or sub-entity) Perfect Union - RI and OSCC, LLC		Interest [REDACTED] equity owner of OSCC, LLC which is a Member of Perfect Union - RI; Manager of Cultivation/QC of Perfect Union - RI with [REDACTED] of "Management Rights" and provider of funding and assets for benefit of Perfect Union - RI.		
Name See Schedule 1 for Interest Holders RE: OSCC, LLC, including MWG Holdings Group, Inc.	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No

Section II: List all persons (including individuals, firms, partnerships, corporations, limited liability companies, trusts), besides the owners and other Interest Holders previously listed in this Form [2], who/that will loan, give, or otherwise provide money, property interests, equipment, inventory, furniture, licensing or other proprietary rights to or for use in this business, or hold a security interest therein; or who will receive money, profits, proprietary rights or other interests from this business. Attach a separate sheet if necessary. If any such person is an entity, list all persons with any ownership in or control of that entity.

Name	Date of Birth	SSN/FEIN	Interest/Dollar Amount
N/A			

Schedule 1

Interest Holder Details

OSCC, LLC

OSCC: Perfect Union – RI’s “Cultivation and Quality Control Manager” through a
“management contract”

OSCC: Perfect Union – RI’s Member as listed in Perfect Union – RI’s bylaws

OSCC: Financial Interest; MWG Holdings Group, Inc. [REDACTED] member of OSCC

OSCC: Ownership Details:

1. MWG Holdings Group, Inc.
 - Owner of OSCC, LLC.

Managers:

David Michael Spradlin [REDACTED] Providence, R.I. 02906

Members:

MWG Holdings Group, Inc. [REDACTED], Sacramento, CA. 95815

1. MWG Holdings Group, Inc.

Directors:

David Spradlin

[REDACTED]

[REDACTED] Sacramento, CA 95605

Chris J. Running

[REDACTED]

Morro Bay, CA 93442

Shareholders:

David Spradlin

[REDACTED]

W Sacramento, CA 95605

Chris J. Running

[REDACTED]

Morro Bay, CA 93442

Mark Pelter

[REDACTED]

Sacramento, CA 95826

Mark Allarea

[REDACTED]

Auburn, CA 95603

Simon Nixon

[REDACTED]

[REDACTED] London
[REDACTED], United Kingdom

Thomas Sheridan

[REDACTED]

Folsom, CA 95630

Other

CEO; President

Chairman of the Board; Director

Own %

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Schedule 2

Interest Holders Having Managerial or Operational Control

OSCC, LLC

MWG Holdings Group, Inc. [REDACTED] member and owner

[REDACTED]
Sacramento, CA. 95815

EIN: [REDACTED]

DOB [REDACTED]

Tel [REDACTED]

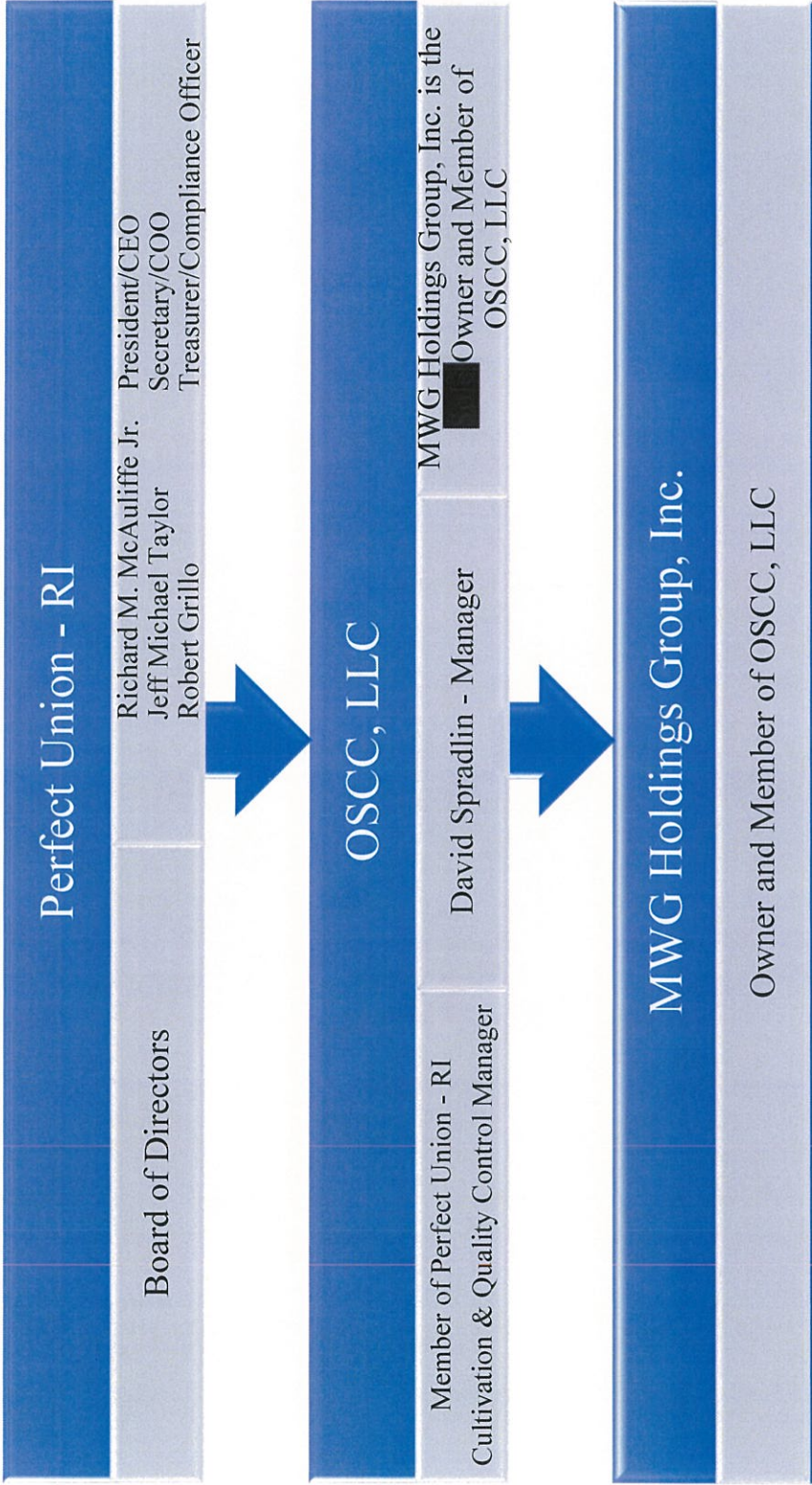
David Michael Spradlin as Manager

[REDACTED]
Providence, RI 02906

DOB [REDACTED]

SSN [REDACTED]

Tel [REDACTED]



Cultivation & Quality Control Management Agreement	OSCC, LLC
	Manager: David Spradlin
	Owner and Member: MWG Holdings Group, Inc.

Annual Compensation & Remuneration of Interest Holders

OSCC, LLC

<u>Members:</u>	<u>Own %</u>	<u>Contribution for Perfect Union RI Benefit:</u>
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MWG Holdings Group, Inc. [REDACTED] Sacramento, CA 95815	[REDACTED]	[REDACTED]
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Loan Repayment Plan:

Quarterly payments of [REDACTED] will be made starting in [REDACTED]

OSCC, LLC - Cultivation and Quality Control Management Contract

Annual Management Fees: [REDACTED] based on [REDACTED] Management Rights

Other

<u>Name:</u>	<u>Payor:</u>	<u>Annual Remuneration:</u>
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Richard M. McAuliffe Jr.	Perfect Union – RI	[REDACTED]
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Jeff Michael Taylor	Perfect Union – RI	[REDACTED]
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Robert Grillo	Perfect Union – RI	[REDACTED]
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Certification as to Form CC 2

The undersigned duly authorized signatory of Applicant/Licensee, in his/her capacity as such, for and on behalf of Applicant/Licensee, after due inquiry, hereby certifies to the Office of Medical marijuana Regulation of the Department of Business Regulation (the "Department" or "DBR") that it/he/she has disclosed to the Department in this Form 2:

(A) With respect to Applicant/Licensee, all persons and entities that:


- (i) Are owners, members, officers, directors, managers, or agents of Applicant/Licensee; and
- (ii) Have/will have managing or operational control with respect to Applicant/Licensee, its operations, the license and/or licensed facilities whether they have an ownership interest or not; and
- (iii) Are investors or have any other financial interest therein; and
- (iv) Hold interest(s) arising under shared management companies, management agreements, or other agreements that afford third-party management or operational control with respect to Applicant/Licensee, its operations, the proposed license, and/or the licensed facilities (any person or entity in the foregoing (i), (ii) and (iii) being herein individually referred to as an "interest holder" and all such persons and entities in the foregoing (i), (ii), (iii), and (iv) being collectively referred to as the "interest holders"); and

(B) To the extent that any interest holder described in (A) above is an entity, all interest holders in that entity until all such interest holders are identified and disclosed down to the individual person level.

The undersigned, after due inquiry, further certifies to the Department that, except for the license that is the subject of this Form 2 and except as permitted under R.I. Gen. Laws § 21-28.6-12(b)(10), no "interest holder" disclosed herein is an "interest holder" with respect to any other license issued by, or license application made to, the Department as to a "marijuana establishment licensee" as defined in R.I. Gen. Laws § 21-28.6-3(17).

The undersigned hereby acknowledges and agrees that Applicant/Licensee has a continuing obligation to disclose any changes and shall provide written notice to the Department within thirty (30) days of any change of the persons/entities/interest holders described and the certifications made in this Form 2 and that each such notice shall include an updated Form 2.

Under penalty of perjury, I hereby declare and verify that all statements on and information submitted with this Form 2 are complete, true, correct, and accurate.


Signature of Authorized Signatory

12/9/2020

Date

Richard M. McAuliffe Jr.

Printed Name

Print Title: President/CEO

Print Name of Applicant/Licensee: Perfect Union - RI

CC FORM 3

Owners and Interest Holders Certification Statement Form

On behalf of Applicant, and with respect to Applicant and each of the Interest Holders/Key Persons described in Form 2, the undersigned certifies as follows:

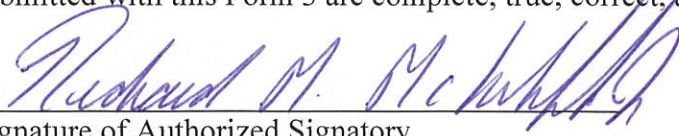
1. Has the Applicant or any Owner or Interest Holder or any marijuana business entity or its equivalent in which such persons hold or have held an interest or a medical marijuana or other marijuana or medical marijuana license, registration or authorization in another state or jurisdiction, ever been disciplined (discipline includes without limitation any denial, suspension, revocation, fines or other sanction of the license, registration or authorization) by any state or jurisdiction? If "Yes" provide a brief explanation, copies of all documentation and name/address/phone number/contact person for the licensing/registration/authorization authority. _____ _____ _____	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
2. Has the Applicant and/or any Owner or Interest Holder ever been denied a professional license, privilege of taking an examination, or had a professional license or permit disciplined by a licensing authority in Rhode Island or any other state or jurisdiction (discipline includes without limitation any denial, suspension, revocation, fines or other sanction of the license, registration or authorization)? If "Yes" provide a brief explanation, copies of all documentation and name/address/phone number/contact person for the licensing/registration/authorization authority. _____ _____ _____	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
3. Is any Owner or Interest Holder employed by the State of Rhode Island? If "Yes" please describe below. _____ _____ _____	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
4. Does the Applicant, or any Owner or Interest Holder have any "material financial interest or control" (as defined in § 1.1.1(A)(30) of the	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

Regulations) in another Rhode Island licensed cultivator, a compassion center, a licensed cooperative cultivation, or a Rhode Island DOH-approved third party testing provider or vice versa. If "Yes" describe below:		
OSCC, LLC is a licensed cultivator. <hr/> License Number: XXXXXXXXXX <hr/>		
5. Applicant acknowledges that it fully understands that:		
a. Marijuana is a Schedule I controlled substance under the Controlled Substances Act of 1970 (21 U.S.C. 801 <i>et seq.</i>);	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
b. The manufacturing, distribution, cultivation, processing, possession, or possession with intent to distribute a Schedule I controlled substance, or conspiring or attempting to do so, are offenses subject to harsh penalties under federal law and could result in arrest, prosecution, conviction, incarceration, fine, seizure of property, and loss of licenses or other privileges;	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
c. Any activity regarding marijuana that does not comply with Rhode Island law or regulations is a violation of State law and could result in arrest, prosecution, conviction, incarceration, fine, seizure of property, and loss of licenses or other privileges; and	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
d. Applicant must comply with the requirements of R.I. Gen. Laws § 21-28.6-12(c)(7) and § 1.4(C) of the Regulations pertaining to criminal identification records checks prior to licensure.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
6. Applicant acknowledges that Application Fees are non-refundable.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
7. Applicant acknowledges that in filing an Application for a license, the following:	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
a. The Department of Business Regulation is vested with certain authority and discretion under the Act and Regulations with respect to review and approval of a Compassion Center License; and b. The Department of Business Regulation's decision in approving or denying an Application shall be final subject to the provisions of the Administrative Procedures Act codified in R.I. Gen. Laws § 42-35-1 <i>et seq.</i>	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

The undersigned hereby acknowledges and agrees that Applicant/Licensee has a continuing obligation to disclose any changes and shall provide written notice to the Department within thirty

(30) days of any change of the information provided and the certifications made in this Form 3 and that each such notice shall include an updated Form 3.

Under penalty of perjury, I hereby declare and verify that all statements on and information submitted with this Form 3 are complete, true, correct, and accurate.


Signature of Authorized Signatory

12/9/2020
Click here to enter a date.
Date

Rick M. McAuliffe

Printed Name

Print Title: President/CEO

Print Name of Applicant/Licensee: Perfect Union - RI

CC Form 4 – Certification Regarding Nonprofit Status and Compliance

The undersigned duly authorized signatory of Applicant/Licensee, in his/her capacity as such, for and on behalf of Applicant/Licensee, after due inquiry, hereby certifies to the Office of Medical marijuana Regulation of the Department of Business Regulation (the “Department” or “DBR”) as follows:

1. Nonprofit Status and Operation

- A. The Applicant/Licensee is and shall be operated on a not-for-profit basis for the mutual benefit of its patients in compliance with The Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act, Chapter 21-28.6 of the Rhode Island General Laws and the regulations promulgated thereunder.
- B. Compassion centers shall not be organized, structured or operated in a manner that violates R.I. Gen. Laws § 21-28.6-12(f), or which would cause medical marijuana and medical marijuana products to be priced at unreasonable rates, as determined by DBR, in accordance with R.I. Gen. Laws § 21-28.6-12(d)(2)(iii).
- C. The Applicant/Licensee is a nonprofit corporation organized, existing and in good standing under the laws of the State of Rhode Island, including the Rhode Island Nonprofit Corporation Act, R.I. Gen. Laws Chapter 7-6, as evidenced in Annex A attached hereto, which includes the following documents:
 - i. A written overview of Applicant’s corporate structure as a nonprofit entity, a listing of all board members, officers, and other key persons along with copies of their resumes, job descriptions, roles and duties.
 - ii. Applicant’s nonprofit Articles of Incorporation filed with RI Secretary of State (SOS) in accordance with R.I. Gen. Laws Chapter 7-6;
 - iii. Applicant’s corporate Bylaws;
 - iv. Applicant’s Certificate of Good Standing from the RI SOS; and
 - v. If applicable, documentation evidencing tax-exempt organization status under US Internal Revenue Code.

2. Management Companies and Vendors

- A. All contracts and agreements, including any loan or other financing agreements, with all management companies and vendors shall be on commercially reasonable terms and provide for compensation/remuneration at fair market value for the subject services, supplies, equipment, and other goods.
- B. Attached hereto as Annex B is a list of all management companies used/to be used to supply services, supplies, equipment and/or other goods to the compassion center Applicant/Licensee. This list must also include a list of all persons (names and addresses) who have any ownership or financial interest (officers, directors, stockholders of 5% or

more, LLC managers or members, and/or partners) in or operations or managerial control over the management company.

- C. Attached hereto as Annex C is a list of all anticipated vendors used/to be used to supply services, supplies, equipment and/or other goods to the compassion center Applicant/Licensee of \$100,000 or more per calendar year. This list must also include a list of all persons (names and addresses) who have any ownership or financial interest (officers, directors, stockholders of 5% or more, LLC managers or members, and/or partners) in or operations or managerial control over the management company.
- D. Attached hereto as Annex D are copies of any/all agreements, contracts and proposals with management companies, vendors, or other contractors, including copies of any proposed management agreements, leases, loans, contracts, or any other documentation reflecting the terms and conditions of any relationships and/or interests between the nonprofit entity and these agents, persons, or entities. Applicant must include any subsidiaries/parent companies associated with these agents, persons, or entities in the overview and organizational chart and/or any other entities engaged in similar medical marijuana activities which have shared owners, officers, directors or key persons.

3. Related Party Transactions

- A. Attached hereto as Annex E is a list of all financial transactions between Applicant/Licensee, on the one hand, and any immediate family member(s)¹ (whether directly or through an entity in which such family member(s) has an interest) of an officer, director, manager or other person having managerial or operational control of Applicant/Licensee, on the other hand.
- B. All such financial transactions are on commercially reasonable terms and provide for compensation/remuneration at fair market value for the subject matter thereof.

4. Real Estate and Equipment

- A. Attached hereto as Annex F is a list of all real estate to be purchased or leased by Applicant/Licensee; and
- B. Attached hereto as Annex G is a list of all equipment to be purchased or leased by Applicant/Licensee involving compensation/remuneration of \$100,000 or more per calendar year.
- C. Such purchase and lease transactions are on commercially reasonable terms and provide for compensation/remuneration at fair market value for the subject matter thereof.

¹ "Family members" means and includes a spouse, parent, grandparent, child, brother, sister, mother-in-law, father-in-law, brother-in-law, sister-in-law, daughter-in-law, son-in-law and includes adopted, half and step members.

5. Compensation of Officers, Directors and Employees

A. Attached hereto as Annex H is a schedule of annual compensation as to:

- i. All officers, directors, managers, and other persons having managerial or operational control of Applicant/Licensee; and
- ii. The ten (10) other persons with the highest-level annual compensation.

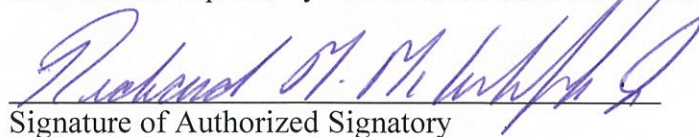
B. Applicant/Licensee is in compliance with the compensation, dividend and loan provisions of the Rhode Island Nonprofit Corporation Act, R.I. Gen. Laws Chapter 7-6, including §§ 7-6-26.1, 7-6-31, and 7-6-32.

6. Revenue Sharing

Applicant/Licensee is not and shall not become a party to any revenue or profit-sharing agreements or other arrangements involving sharing of, or compensation/remuneration based upon a percentage of, the compassion center's revenues or profits.

The undersigned hereby acknowledges and agrees that Applicant/Licensee has a continuing obligation to disclose any changes and shall provide written notice to the Department within thirty (30) days of any change of the information provided and the certifications made in this Certification and that each such notice shall include an updated Certification and all annexes hereto.

Under penalty of perjury, the undersigned hereby declares and verifies that all statements on this Certification are complete, true, correct and accurate and all applicable information and deliverables required by this form are attached in Annexes A through H.


Signature of Authorized Signatory

12/9/2020

Date

Richard M. McAuliffe Jr.

Printed Name

Print Title: President/CEO

Print Name of Applicant/Licensee: Perfect Union - RI

Annex A – Nonprofit Documents

The Organization – Perfect Union - RI

Perfect Union – RI (Perfect Union) is a nonprofit corporation founded to cultivate and provide medical marijuana to the qualifying patients of Rhode Island. Perfect Union's mission is to provide safe access to reliable, quality, tested, and medical grade marijuana to the patients in Rhode Island suffering from qualifying debilitating conditions. Perfect Union is led by three Rhode Island Natives who have partnered with an experienced and renowned grower of medical marijuana Ocean State Cultivation Center, and their Manager David M Spradlin, who has more than a decade of experience growing and providing medical marijuana to patients in California. OSCC in particular will be providing management, quality control, and expertise in the cultivating and providing of medical marijuana to Perfect Union. OSCC and David's expertise make OSCC the premier and most well-known license marijuana cultivator in the state, and currently has all the existing compassion centers as their customers.

Perfect Union will be led by Richard McAullife as President/CEO, Jeff Michael Taylor as Secretary/COO, and Robert Grillo as Treasurer/Compliance Officer. As the Board and Corporate Officers they will be responsible for overall strategic direction, guidance and controls. This will include overseeing that the contracts with vendors, management companies, and others are all on commercially reasonable terms and that compensation and remuneration are at fair market value. The mission will be to provide medical marijuana to all patients at cost and for recovery of expenses necessary to safely provide marijuana to and support the patients of Rhode Island.

Resources will be organized into programs designed to cultivate, provide and educate patients about medical marijuana. Patients will be counseled on strains, health impacts, substance abuse (if necessary), and other palliative or support services as needed. The executive teams initial focus will be the recruitment and retention of local staff and management who are committed to the community and reflect back the passion and desire of the founders to help support the medical marijuana patients of Rhode Island. A Central core administration and facilities staff will receive living wages and benefits, and those costs will be recouped. Wages and benefits will not exceed reasonable commercial costs for a living or appropriate wage depending on position and like compensation. Costs of central administration will be designed to be low in proportion to costs of goods and services.

Job Descriptions and Duties

Chief Executive Officer

Perfect Union – RI's Chief Executive Officer (CEO) leads the mission and vision of Perfect Union – RI, along with the Board, so our patients will receive the highest quality of service and care when they enter our compassion center. The CEO provides high-level strategic and tactical

leadership to the Perfect Union – RI Board of Directors, overseeing all operations and business activities to ensure they produce the desired results and are consistent with the mission of our non-profit organization. The CEO analyzes problematic situations and provides solutions while enforcing regulatory and legal guidelines, keeping Perfect Union – RI's legality and ethics at the forefront. The CEO develops engaging, passionate and loyal employees in partnership with the leadership team and team managers.

Core Responsibilities

- Leading the development and implementation of the overall organization's strategy.
- Soliciting advice and guidance, when appropriate, from a Board of Directors.
- Provide inspired leadership company wide.
- Make high-level decisions about policy and strategy.
- Develop and implement operational policies and a strategic plan.
- Act as the primary spokesperson for the company.
- Creating, communicating, and implementing the organization's vision, mission, and overall direction.

Chief Operating Officer

Perfect Union – RI's Chief Operating Officer (COO) oversees the operationalizing and management of our compassion center. The COO works directly with the Chief Executive Officer and the Board of Directors to guide the company's operational strategy and oversee the day-to-day operations with the highest standard of excellence. The COO is responsible for developing the organization strategy mission and vision of Perfect Union – RI and to implement the practices of this strategy in a manner that enriches Perfect Union – RI's mission. The COO manages relationships with vendors and business affiliates. Oversees all aspects of operations with an excellence in quality and patient care, our COO has an intense focus on company culture, ethics, service, care, product, growth, and standards responsibilities.

Core Responsibilities

- Set comprehensive goals for performance and growth
- Establish policies that promote company culture and vision
- Oversee daily operations of the company and the work of executives (IT, Marketing, Sales, Finance etc.)
- Lead employees to encourage maximum performance and dedication
- Evaluate performance by analyzing and interpreting data and metrics
- Write and submit reports to the CEO in all matters of importance
- Manage relationships with partners/vendors
- Design and implement business strategies, plans and procedures

General Manager

Perfect Union – RI's General Manager (GM) is responsible for overseeing all operations within the compassion center and that all patients receive premium care during their time at our center. The GM maintains, updates, and implements Standard Operating Procedures (SOPs) that ensure regulatory compliance and operation success. Additionally, the GM ensures compliance with security, inventory, and local and state regulations. The GM will oversee inventory controls,

financial records, and cash handling procedures. The GM will manage, supervise and direct the activities of assigned staff. This position will temporarily be held by the COO. After Perfect Union – RI Compassion Center is operating we will hire a General Manager to fill this position and our COO will assume their permanent role of COO, stepping back from GM.

Core Responsibilities

- Lead the floor experience and support an inspiring and seamless discovery and shopping journey
- Observe interactions and provide timely, specific, and actionable feedback to help individuals grow
- Lead and develop individuals to help them achieve their professional and personal goals
- Leverage data, both qualitative and quantitative, to perform root cause analysis when problems arise
- Test and iterate solutions or strategies in partnership with the on-property team and support office
- Deliver communication to teams to ensure steadfast alignment to brand goals and current initiatives
- Balance the needs of multiple direct reports with a variety of responsibilities and encourage teamwork and collaborative problem solving
- See that every guest is approached and warmly welcomed onto the property
- Build brand loyalty by leading a seamless and elevated in-person customer journey
- Maximize floor coverage and sales performance with strategic resource planning and scheduling
- Maintain merchandising presentation and ensure displays and demo products are to standard
- Monitor traffic and demand, sales performance, and customer and employee experience metrics
- Drive teams to achieve daily, weekly, monthly and annual targets
- Perform other responsibilities as required by the business

Compliance Officer

Perfect Union - RI's Compliance Officer is to track and manage regulatory compliance. The Compliance Officer ensures our compassion center is always operating in accordance with State and local laws. The Compliance Officer supports management in compliance safety training and will conduct training as needed at Perfect Union - RI. Additionally, they interact with state and local regulatory agencies whenever necessary and handle the processing of state and local licensing and permits. Compliance Officers also handle OSHA and perform quarterly compliance and safety audits. The Compliance Officer oversees the implementation of the Standard Operating Procedures (SOPs) and METRC reporting and integration.

Core Responsibilities

- Work with government affairs team to ensure all facilities are compliant with state and local laws
- Process state and local license renewals
- Support department managers in compliance and safety training

- Perform quarterly compliance and safety audits
- Conduct training as needed
- Interact with state and local regulatory agencies
- Manage compliance software
- Oversee the implementation of SOP's and METRC reporting and integration
- Propose improvements to SOP's and security plans
- Ensure OSHA compliance at all worksites
- Monitor and present compliance status updates to relevant stakeholders, departments, and team members.
- Ensure accurate filing, organization, security, and access to materials, documentation, and records.
- All other duties assigned.

Resumes

Richard M. McAuliffe Jr. – Chief Executive Officer/President

Before founding the company, Richard McAuliffe spent 11 years in the public sector. He began his career in Washington as a legislative assistant for Senator Jack Reed during Senator Reed's six years in the United States House of Representatives. During his tenure with Reed, McAuliffe handled a number of issues from economic development to veterans' affairs.

After leaving Washington, McAuliffe returned to his home state of Rhode Island to work as a community relations officer for the Royal Bank of Scotland's U.S. subsidiary, Citizens Financial Group. It was here that he was responsible for reporting the bank's compliance to state and federal regulators. This included reporting in Rhode Island, Massachusetts, New Hampshire and Connecticut.

After two years, McAuliffe left the private sector to successfully run State Senator Charles J. Fogarty's successful campaign for Lieutenant Governor. After the election, McAuliffe became the Lieutenant Governor's Chief of Staff, overseeing the management of the office, as well as acting as senior policy and political advisor to the lieutenant governor. McAuliffe then went on to leave state government and return to federal government by becoming United States Congressman Patrick J. Kennedy's District Director. The job entailed managing the congressional office, as well as working with elected officials and community leaders within the first congressional district of Rhode Island.

While in government, McAuliffe covered a wide range of issues, from economic and workforce development to labor, health care and education. He worked with both public and private entities, helping them seek and secure federal and state dollars. He has extensive knowledge of both the state and federal committee processes, having presented testimony in many capacities on behalf of his clients. Through his work and experience, McAuliffe has established a strong working relationship with the members of the New England Congressional delegation, as well as state legislative leaders.

Richard McAuliffe has represented the United Food & Commercial Workers, Local 328 as their governmental affairs and lobbyist for the past 15 years.

Richard McAuliffe has an undergraduate degree in Speech Communication from Syracuse University and Masters in Public Administration, with a concentration in Urban Affairs from American University.

In addition to his full-time position, McAuliffe is a member of the Rhode Island Red Cross and President of the East Greenwich Basketball Association where both his kids play. He was a member of the Rhode Island Judicial Nominating Committee for six years. Richard is also past Board President of the Providence Maritime Heritage Foundation, Pawtucket Day Child Development Center and Camp Street Community Ministries. He is a past board member of the board of directors for Saint Elizabeth Community, Providence Singers and Hope Alzheimer's Center; and Women & Infants' Hospital Development Foundation. He has been very active in raising money for various non-profit and educational entities throughout Rhode Island.

Jeffrey M. Taylor – Chief Operating Officer/Secretary

Jeffrey Taylor began his career in the Rhode Island State Senate as a Legislative Assistant. He quickly became the Director of Legislative and Government Affairs for the Office of the Lieutenant Governor of Rhode Island where he drafted legislation in bill format, monitored tracked and testified on bills of concern, and managed legislative commissions of which the Lt. Governor chaired.

After a decade in Rhode Island Government, Jeffrey became the Director of Legislative Affairs for Blue Cross Blue Shield of Rhode Island. He developed health care policy initiatives for diversified stakeholder organizations, developed legislative initiatives and designed and implemented an interned legislative tracking database system.

Jeffrey then went on to become the Managing Director of Government Relations for Advocacy Solutions LLC. He conducted in-depth impact analysis on legislative and government initiatives and created and implemented government relations strategies. He also composed fact-based testimony that he would present before various government entities.

Jeffrey is now the Vice Chairman and Partner at the Mayforth Group in Providence, Rhode Island. As the Vice Chairman and Partner, Jeffrey builds and manages a portfolio of clients seeking government relations services at federal, regional and state levels. He devises and implements strategic and comprehensive advocacy outreach plans for his clients and coordinates his employees. Jeffrey has broadened the scope of the company's services to include coalition and advocacy strategy services and issue bond campaign management. Additionally, he has implemented new efficiency and quality focused internal company policies and procedures.

Jeffrey received his Bachelor's in Political Science with a Minor in English and Fairfield University. He then went on to Boston to obtain his Juris Doctorate at Suffolk University Law School.

While leading an extensive career in government and healthcare, Jeffrey has been an active member of community youth programs throughout Rhode Island over the last two decades. He has volunteered his time to teach children's soccer and basketball. Additionally, Jeffrey served on the Board of Directors for the Pawtucket Child Development Center.

Robert "Ted" Grillo – Compliance Officer/Treasurer

Robert has been working in the marijuana industry since 2011. In April 2017, Robert began managing all operations at Ocean State Cultivation Center, an 8,000 square foot cultivation and processing facility in Rhode Island, where they supply two of the major dispensaries with both SKU's and wholesale products. During this time Robert has been successfully operating a Co2 laboratory and managing the cultivation operations and sales.

Robert began cultivating CBD rich hemp during the crop season of 2016. Since then, he has cultivated hemp in three states and acquired multiple state license.

To date, Robert has regulated cannabis industry experience in Massachusetts, Rhode Island, Maine, Colorado, Connecticut and Ohio.

Robert has refined skills in Standard Operating Procedure Development and how to implement the most efficient plan in a medical marijuana facility.

Perfect Union – RI Non-Profit Articles of Incorporation



**State of Rhode Island
Office of the Secretary of State**

Fee: \$35.00

Division Of Business Services
148 W. River Street
Providence RI 02904-2615
(401) 222-3040

**Non-Profit Corporation
Articles of Incorporation**

(Chapter 7-6-34 of the General Laws of Rhode Island, 1956, as amended)

ARTICLE I

The name of the corporation is Perfect Union - RI

ARTICLE II

The period of its duration is X Perpetual

ARTICLE III

The specific purpose or purposes for which the corporation is organized are:

TO GROW AND PROVIDE ORGANIC MEDICAL MARIJUANA TO PATIENTS LICENSED
UNDER THE
RHODE ISLAND MEDICAL MARIJUANA PROGRAM, RIGL SECTION 21-28.6- ET SEQ,
AND
OTHER RELATED LAWFUL PURPOSES.

ARTICLE IV

Provisions, if any, not inconsistent with the law, which the incorporators elect to set forth in these articles of incorporation for the regulation of the internal affairs of the corporation are:

ARTICLE V

The street address (post office boxes are not acceptable) of the initial registered office of the corporation is:

No. and Street: 65 MEADOW ST
City or Town: WARWICK

State: RI

Zip: 02886

The name of its initial registered agent at such address is Rick McAuliffe

ARTICLE VI

The number of directors constituting the initial Board of Directors of the Corporation is 3
and the names and addresses of the persons who are to serve as the initial directors are:

DIRECTOR	JEFF TAYLOR	65 MEADOW ST WARWICK RI 02886 US
DIRECTOR	ROBERT GRILLO	65 MEADOW ST WARWICK RI 02886 US

ARTICLE VII

The name and address of the incorporator is:

Title	Individual Name First Middle Last Suffix	Address Address City or Town State Zip Code Country
INCORPORATOR	ARTURO SANCHEZ	[REDACTED] SACRAMENTO CA 95815 US

ARTICLE VIII

Date when corporate existence is to begin 11/23/2020

(not prior to nor more than 30 days after the filing of these Articles of Incorporation)

Signed this 23 Day of November, 2020 at 5:48:05 PM by the incorporator(s). *This electronic signature of the individual or individuals signing this instrument constitutes the affirmation or acknowledgement of the signatory, under penalties of perjury, that this instrument is that individual's act and deed or the act and deed of the corporation, and that the facts stated herein are true, as of the date of the electronic filing, in compliance with R.I. Gen. Laws § 7-6.*

Enter signature(s) below.

ARTURO SANCHEZ

Form No 200
Revised 09/07

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A Rights Reserved



State of Rhode Island

Department of State | Office of the Secretary of State

Nellie M. Gorbea, *Secretary of State*

I, NELLIE M. GORBEA, Secretary of State of the State of Rhode Island,
hereby certify that this document, duly executed in accordance with the provisions
of Title 7 of the General Laws of Rhode Island, as amended, has been filed in this

office on this day:

November 23, 2020 05:45 PM

A handwritten signature in blue ink, appearing to read "Nellie M. Gorbea", is written in a cursive style.

Nellie M. Gorbea
Secretary of State



**AMEDNED & RESTATED
ARTICLES OF INCORPORATION OF
PERFECT UNION - RI
A RHODE ISLAND NONPROFIT CORPORATION**

I

The name of the corporation is PERFECT UNION - RI

II

- A. This corporation is a **Domestic Nonprofit Corporation** organized under the Rhode Island General Law Nonprofit Corporation Act. The purpose of this corporation is to grow and provide organic medical marijuana to patients licensed under the Rhode Island Medical Marijuana Program, Rigl Section 21-28.6- Et Seq, and Other related lawful purposes.
- B. The specific purpose of this corporation is to provide a means or facilitating and coordinating transactions between members of the Compassion Center, including wellness services and educational opportunities on issues concerning the Rhode Island Medical Marijuana Program, Rigl Section 21-28.6- Et Seq. This corporation is not organized for any person's private gain.

III

The name and address in the State of Rhode Island of this corporation's initial agent for service of process is:

Richard M. McAuliffe Jr.

**65 MEADOW ST
WARWICK, RI 02886**

IV

Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this corporation.

Perfect Union – RI Bylaws

**EXHIBIT B
FORM OF BYLAWS
OF
PERFECT UNION - RI**

A Rhode Island Nonprofit Corporation

ARTICLE I

NAME AND OFFICES

Section 1.1

This corporation shall be known as Perfect Union - RI (hereinafter referred to as the "Corporation").

Section 1.2

Principal Office

The principal office of the Corporation shall be initially located in the County of Warwick, State of Rhode Island. The Board of Directors is hereby granted full power and authority to change said principal office from one location to another, both within and without said county.

ARTICLE II

MEMBERS

Section 2.1

Members

Ocean State Cultivation Center (OSCC), LLC is hereby admitted as a regular member of the corporation and shall constitute sole the member of the Corporation.

Section 2.2

Associated Persons

Nothing in this Article shall be construed as limiting the right of the Corporation to refer to persons associated with it as "members" even though such persons are not members, and no such reference shall constitute anyone a member, within the meaning of Section 7-6-15 Members of the Nonprofit Corporation Act of the State of Rhode Island as amended from time to time (the "Nonprofit Corporation Act"). The Corporation may confer by amendment of its Articles or of these By-Laws some or all of the rights of a member, as set forth in the Nonprofit Corporation Act, upon any person or persons; provided, however, that no such person or persons shall be a member within the meaning of said Section 7-6-15 unless such person(s) is given the right, pursuant to a specific provision of the Articles and/or By-Laws, to vote for the election of a Director or Directors, to vote on a disposition of all or substantially all of the assets of the Corporation, to vote on a merger or dissolution of the Corporation, and/or to vote on changes to the Articles and/or By-Laws.

ARTICLE III

DIRECTORS

Section 3.1

Powers

Subject to the limitations stated in the Articles of Incorporation, these By-Laws, and the Nonprofit Corporations Act, and subject to the duties of the Directors as prescribed by the Nonprofit Corporations Act, all corporate powers shall be exercised by, or under the direction of, and the business and affairs of the Corporation shall be managed by the Board of Directors. The individual Directors shall act only as members of the Board of Directors, and the individual Directors shall have no power as such.

Section 3.2 Number of Directors

The authorized number of Directors of the Corporation shall not be less than one (1) and not more than three (3), the exact number to be fixed by the Board of Directors.

Section 3.3 Elections, Term of Office, and Qualifications

- (a) The Directors shall be elected at least annually at any regular or special meeting of the Board of Directors held for that purpose.
- (b) The term of all Directors shall be two (2) years.

Section 3.4 Resignation

Any Director may resign at any time by giving written notice of such resignation to the Chairman of the Board, the President, the Secretary, or the Board of Directors of the Corporation. Such resignation shall take effect at the time specified in the notice; provided, however, that if the resignation is not to be effective upon receipt of the notice by the Corporation, the Corporation must accept the effective date specified. Except upon notice to the Attorney General, no Director may resign where the Corporation would then be left without a duly elected Director or Directors in charge of its affairs. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

Section 3.5 Removal

- (a) Any Director may be removed by the Board of Directors with or without cause, by a majority of the authorized number of Directors.
- (b) No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of such Director's term of office.

Section 3.6 Vacancies

- (a) A vacancy in the Board of Directors shall be deemed to exist in case of the death, resignation or removal of any Director, or if the authorized number of Directors is increase, or if the Board of Directors declare vacant the position of any Director whose term has expired.

- (b) Vacancies on the Board of Directors may be filled by a majority of the Directors then in office, whether or not less than a quorum, or by a sole remaining Director. The term of a Director so elected shall be the unexpired portion of the term of the Director, if any, the Director so elected is replacing.

Section 3.7 Organization Meeting

Immediately after each annual election meeting, the Board of Directors shall hold a regular meeting for the purpose of organization, the election of officers, and the transaction of other business. No notice of such meeting need be given.

Section 3.8 Other Regular Legal Meetings

The Board of Directors may provide by resolution the time and place for the holding of regular meetings of the Board of Directors, provided, however, that if the date so designated falls upon a legal holiday, then the meeting shall be held at the same time and place on the next succeeding day that is not a legal holiday. No notice of such regular meetings of the Board of Directors need be given.

Section 3.9 Calling Meetings

Regular or Special Meetings of the Board Directors (other than regular meetings held pursuant to Sections 4.8 and/or 4.9 of these By-Laws) shall be held whenever called by the Chairman of the Board or the President or any two (2) Directors of the Corporation.

Section 3.10 Place of Meetings

Meetings of the Board of Directors shall be held at any place within or without the State of Rhode Island, which may be designated in the notice of the meeting, or if not stated in the notice or if there is no notice, designated by resolution of the Board of Directors. In the absence of such designation, meetings of the Board of Directors shall be held at the principal office of the Corporation.

Section 3.11 Telephonic Meetings

Members of the Board of Directors may participate in a regular or special meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting pursuant to this Section 3.12 constitutes presence in person at such meeting.

Section 3.12 Notice of Special Meetings

Written notice of the time and place of special meetings of the Board of Directors shall be delivered personally to each Director, or sent to each Director by first class mail, telephone, telegraph, or electronic mail. In case such notice is sent by mail, it shall be deposited in the United

States mail at least five (5) days prior to the time of the holding of the meeting. For purposes of determining whether such five (5) day requirement has been satisfied, the day of the meeting and the day notice is given shall each be counted as one full day regardless of the time of the day the meeting is held, or the notice is given. Each notice shall be deemed given to a Director, when deposited, with postage thereon prepaid, in a post office or official depository under the exclusive care and custody of the United States Post Office Department and addressed to such Director at the address designated by him for that purpose or, if none is designated, at his last known address. In case such notice is delivered personally, or by telephone or telegraph, it shall be so delivered at least forty-eight (48) hours prior to the time of the holding of the meeting. Such notice may be given by the Secretary of the Corporation or by the persons who called said meeting. Such notice need not specify the purpose of the meeting, unless the meeting is to consider the removal of a Director and/or an amendment to the By-Laws that will increase the number of Directors of the Corporation, or the disbursement of funds. Notice shall not be necessary if appropriate waivers, consents, and/or approvals are filed in accordance with Section 3.14 Waivers of these By-Laws.

Section 3.13 Waiver of Notice

Notice of a meeting need not be given to any Trustee who signs a waiver of notice, or a written consent to holding the meeting or an approval of the minutes of the meeting, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement the lack of notice to such Director. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Directors, or of a committee of Directors, need be specified in any such waiver, consent, or approval.

Section 3.14 Action Without Meeting

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors.

Section 3.15 Quorum

A majority of the authorized number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be the act of the Board of Directors, unless the Articles of Incorporation, these By-Laws, including, without limitation, Section 3.6(a), Section 4.1, and Article XII, or the Nonprofit Corporation Act specifically requires a greater number. In the absence of a quorum at any meeting of the Board of Directors, a majority of the Directors present may adjourn the meeting as provided in Section 3.16 of these By-Laws. A meeting at which a quorum is initially present may be continued to transact business,

notwithstanding the withdrawal of enough Directors to leave less than a quorum, if any action is taken and is approved by at least a majority of the required quorum for such meeting. Directors may not vote by proxy.

Section 3.16 Adjournment

Any meeting of the Board of Directors, whether or not a quorum is present, may be adjourned to another time and place by the vote of a majority of the Directors present. Notice of the time and place of the adjourned meeting need not be given to absent Directors if said time and place are fixed at the meeting adjourned; provided, however, that if the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Section 3.17 Inspection Rights

Every Director shall have the right at any reasonable time to inspect, copy and make extracts of, in person or by agent or attorney, all books, records, and documents of every kind and to inspect their physical properties of the Corporation.

Section 3.18 Fees and Compensation

Directors shall not receive any stated salary for their services as Directors. Directors may be reimbursed in such amounts as may be determined from time to time by the Board of Directors for expenses paid while acting on behalf of the Corporation and for expenses incurred in attending meetings of the Board of Directors. Nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation, therefore.

ARTICLE IV

COMMITTEES

Section 4.1 Advisory Committees

The Board of Directors may create one or more advisory committees, consisting of such persons as may be determined by the Board of Directors or appointed by the person designated by the Board of Directors to fill the committee(s).

ARTICLE V

OFFICERS

Section 5.1 Officers

The officers of the Corporation shall be a President, a Secretary, and a Treasurer, who shall be

the Chief Financial Officer of the Corporation. The Corporation may also have, at the discretion of the Board of Directors, a Chairman of the Board, one or more additional Vice-Presidents, one or more Assistant Secretaries, and such other officers as may be appointed in accordance with the provisions of Section 5.3. One person may hold two or more offices; provided, however, that neither the Secretary nor the Treasurer may serve concurrently as the President or Chairman of the Board.

Section 5.2 Election and Term

The officers of the Corporation shall be elected by the Board of Directors and shall serve at the pleasure of the Board of Directors, subject to the rights, if any, of an officer under any contract of employment.

Section 5.3 Subordinate Officers

The Board of Directors may appoint such other officers as the business of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in the By-Laws or as the Board of Directors may, from time to time, determine.

Section 5.4 Resignation

Any officer may resign at any time by giving written notice to the Corporation, subject to the rights, if any, of the Corporation under any contract to which the officer is a party. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5.5 Vacancies

A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these By-Laws for regular appointments to such office.

Section 5.6 Chairman of the Board

The Chairman of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors, and exercise and perform such other powers and duties as may be from time to time assigned to the Chairman of the Board by the Board of Directors or prescribed by these By-Laws.

Section 5.7 President

Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman of the Board, if there be such an officer, the President shall be the chief executive officer of the Corporation and shall, subject to the control of the Board of Directors, have general

supervision, direction, and control of the business affairs of the Corporation. The President shall be a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of president of a Corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or by these By-Laws.

Section 5.8 Secretary

- (a) The Secretary shall keep, or cause to kept, a book of minutes in written form or the proceedings of the Board of Directors and committees of the Board of Directors. Such minutes shall include all waivers of notice, consents to the holding of meetings, or approvals of the minutes of meetings executed pursuant to these By-Laws or the Nonprofit Corporation Act
- (b) The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors required by these By-Laws or by law to be given, and shall cause the seal of the Corporation to be kept in safe custody, and shall have such other duties as may be prescribed by the Board of Directors or these By-Laws.

Section 5.9

Treasurer and Chief Financial Officer

- (a) The Treasurer and Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of account in written form or any other form capable of being converted into written form.
- (b) The Treasurer and Chief Financial Officer shall deposit all monies and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors. The Treasurer shall disburse all funds of the Corporation as may be ordered by the Board of Directors, shall render to the President and Directors, whenever they request it, an account of all of the Treasurer's transactions as Treasurer and Chief Financial Officer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by these By-Laws.

ARTICLE VI

BOOKS AND RECORDS

Section 6.1

Books and Records

The Corporation shall keep adequate and correct books and records of account and minutes of the proceedings of Board of Directors and committees of the Board of Directors.

Section 6.2

Form of Records

Minutes shall be kept in written form. Other books and records shall be kept either in written form or in any other form capable of being converted into written form. If any record subject to inspection pursuant to the Nonprofit Corporation Act is not maintained in written form, a request for inspection is not complied with unless and until the Corporation at its expense makes such record available in written form.

Section 6.3 Annual Reports

- (a) Except as otherwise provided below, the Board of Directors shall cause an annual report (hereinafter the "Annual Report") to be sent to the Directors not later than one hundred twenty (120) days after the close of the Corporation's fiscal year. The Annual Report shall contain in appropriate detail the following:

- (1) The assets and liabilities, including the trust funds, of the Corporation as of the end of the fiscal year.
- (2) The principal changes in assets and liabilities, including trust funds, during the fiscal year.
- (3) The revenue or receipts of the Corporation both unrestricted and restricted to particular purposes, during the fiscal year.
- (4) The expenses or disbursements of the Corporation, for both general and restricted purposes, during the fiscal year.
- (5) Any information required by Section 7-6-90 of the Nonprofit Corporation Act.

- (b) The Annual Report shall be accompanied by any report thereon of independent accountants, or, if there is no such report, the certificate of an authorized officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.

The financial affairs of the Corporation shall be audited annually by a Certified Public Accountant. The audit shall be conducted according to generally accepted who conducts

the audit. The Board of Directors may suspend or modify this requirement by the affirmative vote of a majority of the authorized number of members of the Board of Directors. Such modification or suspension may be renewed annually by the Board of Directors.

ARTICLE VII

GRANTS. CONTRACTS. LOANS. ETC.

Section 7.1 Grants

The making of grants and contributions and otherwise rendering financial assistance for the purposes of the Corporation may be authorized by the Board of Directors. The Board of Directors may authorize any officer or officers, agent or agents, in the name of and on behalf of the Corporation to make any such grants, contributions or assistance.

Section 7.2 Execution of Contracts

The Board of Directors may authorize any officer, employee or agent, in the name and on behalf of the Corporation, to enter into any contract or execute and satisfy and instrument, and any such authority may be general or confined to specific instances, or otherwise limited. In the absence of any action by the Board of Directors to the contrary, the President shall be authorized to execute such instruments on behalf of the Corporation.

Section 7.3 Loans

The President or any other officer, employee or agent authorized by the By-Laws or by the Board of Directors may effect loans and advances at any time for the Corporation from any bank, trust company or other institution or from any firm, corporation or individual and for such loans and advances may make, execute and deliver promissory notes, bonds other certificates or evidence of indebtedness of the Corporation, and when authorized by the Board of Directors may be general or confined to specific instances or otherwise limited .

Section 7.4 Checks, Drafts

All checks, drafts and other orders for the payment of money out of the funds of the Corporation and all notes or other evidences of indebtedness of the Corporation shall be signed on behalf of the Corporation in such manner as shall from time to time be determined by resolution of the Board of Directors. The Corporation shall obtain a fidelity bond covering all such authorized signatories in an amount to be determined annually by the Board of Directors.

Section 7.5 Deposits

The funds of the Corporation not otherwise employed shall be deposited from time to time to the order of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select or as may be select by an officer, employee or agent of the Corporation to who such power may from time to time be delegated by the Board of Directors.

ARTICLE VIII

INDEMNIFICATION OF TRUSTEES AND OFFICERS

Section 8.1 Indemnification by Corporation

- (a) For the purposes of this Section 8.1, "agent" means any person, who is or was a trustee, officer, employee or other agent of the Corporation, or is or was serving at the request of the Corporation as a Director (Ex-Officio or voting), officer, employee or agent of another foreign or domestic Corporation, which was a predecessor Corporation of the Corporation or of another enterprise at the request of such predecessor Corporation; "proceeding " means any threatened , pending or completed action or proceeding, whither civil, criminal, administrative or investigative; and "expenses " includes without limitation attorneys' fees and any expenses of establishing a right to indemnification under the relevant provisions of these Amended By-Laws.
- (b) The Corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Corporation to procure a judgment in its favor, an action brought under Section 7-6-9 of the Nonprofit Corporation Act or an action brought by the Attorney General or a person granted relator status by the Attorney General for any breach of duty relating to assets held in charitable trust) by reason of the fact that such person is or was an agent of the Corporation, against expenses, judgments , fines, settlements and other amounts actually and reasonable incurred in connection with such proceeding if such person acted in good faith and in a manner such person reasonably believed to be in the best interests of the Corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction or upon a plea of nolo contender or its equivalent shall not, of itself, create a presumption that the person did

not act in good faith and in a manner which the person reasonable believed to be in the best interests of the Corporation or that the person had reasonable cause to believe that the person's conduct was unlawful.

- (c) The Corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action by or in the right of the Corporation, or brought under Section 7-6-9 of the Nonprofit Corporation Act, or brought by the Attorney General or person granted relator status by the Attorney General for breach of duty relating to assets held in charitable trust, to procure a judgment in its favor by reason of the fact that such person is or was an agent of the Corporation, against expenses actually and reasonably incurred by such person in connection with the defense or settlement of such action if such person acted in good faith, in a manner such person believed to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. No indemnification shall be made under this Paragraph (c):

- (1) In respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in the performance of such person's duty to the Corporation in the performance of such person's duty to the Corporation, unless and only to the extent that the court in which such proceeding is or was pending shall determine upon application that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for the expenses which such court shall determine;
- (2) Of amounts paid in settling or otherwise disposing of a threatened or pending action, with or without court approval; or
- (3) Of expenses incurred in defending a threatened or pending action which is settled or otherwise disposed of without court approval unless it is settled with the approval of the Attorney General.

- (d) To the extent that an agent of the Corporation has been successful on the merits in defense of any proceeding referred to in Paragraphs (s) and (c) above, or in defense of any claim, issue or matter therein, the

agent shall be indemnified against expenses actually and reasonable, incurred by the agent in connection therewith.

- (e) Except as provided in Paragraph (d) above, any indemnification under this Section 8.1 shall be made by the Corporation only if authorized in the specific case, upon a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Paragraph (b) or (c) above, by:

- (1) A majority vote of a quorum consisting Directors who are not parties to such proceeding; or

- (2) The court in which such proceeding is or was pending upon application made by the Corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by the Corporation.

- (f) No indemnification or advance shall be made under this Section 8.1, except as provided in Paragraph (d) or Paragraph (e)(2) above, in any circumstances where it appears:

- (1) That it would be inconsistent with a provision of the Articles of Incorporation, the By-Laws, or an agreement in effect at the time of the accrual of the alleged cause of action asserted in the proceeding in which the expenses were incurred or other amounts were paid, which prohibits or otherwise limits indemnifications; or

- (2) That it would be inconsistent with any condition expressly imposed by a court in approving a settlement.

Section 8.2

Advancing Expenses

The Corporation may advance to each agent the expenses incurred in defending any proceeding referred to in Section 8.1 of these By-Laws prior to the final disposition of such proceeding upon receipt of any undertaking by or on behalf of the agent to repay such amount unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized in Section 8.1 of these By-Laws.

Section 8.3

Insurance

The Corporation shall have the power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent would have

the power to indemnify the agent against such liability under the provisions of this Section; provided , however, that the Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233 of the Nonprofit Corporation Act (relating to self-dealing transactions).

ARTICLE IX

INVESTMENTS

Section 9.1

Standards, Retention of Property

- (a) In investing, reinvesting, purchasing, acquiring, exchanging, selling and managing the Corporation's investments, the Board of Directors shall avoid speculation, looking instead to the permanent disposition of the funds, considering the probable income, as well as the probable safety of the Corporation's capital.
- (b) Unless limited by the Articles, the Corporation may continue to hold property properly acquired or contributed to it if and as long as the Board of Directors, in the exercise of good faith and of reasonable prudence, discretion and intelligence, may consider that retention is in the best interests of the Corporation. No retention of donated assets violates Section 10.1, where such retention was required by the donor in the instrument under which the assets were received by the Corporation, except that no such requirement may be effective more than ten (10) years after the death of the donor.
- (c) No investment violates this Section 10.1 by virtue of the investment's speculative character, where the investment conforms to provisions authorizing such investment contained in the instrument or agreement under which the assets were contributed to the Corporation.

Section 9.2 Endowment Fund

- (a) The Corporation may receive donations earmarked for an endowment fund from any source in cash or in other property acceptable to the Board of Directors, provided the terms and conditions if any are consistent with the purposes and powers of the Corporation as set forth in the Articles and/or the By-Laws of the Corporation. All donations so received, together with the income there from, herein referred to as the "Fund", shall be held, managed, administered and paid out in accordance with any terms and conditions with respect thereto. Unless otherwise specifically required, the Corporation may mingle such restricted donations with other assets of the fund. The Corporation may

reject any donation carrying restrictions deemed by the Board of Directors to be incompatible with the purpose of the fund and/or the Corporation.

- (b) The Corporation shall keep a complete record of the source of all gifts made to the Fund and shall take such steps as the Board of Directors deems appropriate to recognize and commemorate each such gift, to the end that the memory of the gift and of the donor shall appropriately preserved.
- (c) The Corporation shall disburse the Fund or the income therefrom at such time and in such a manner and in such amounts as the Board of Directors may in its discretion determine for the Corporation or its related activities.

ARTICLE X

DISTRIBUTION OF INCOME AND PROHIBITED ACTIVITIES

In the event that the Corporation shall at any time be a private Corporation within the meaning of Section 509 of the United States Internal Revenue Code of 1954 , as amended (hereinafter referred to as the "Code"), the Corporation , so long as it shall be such a private Corporation, so long as it shall be such a private Corporation, shall distribute its income for each taxable year at such time and in such a manner as not to subject it to the tax on undistributed income imposed by Section 4942 of the Code, and the Corporation shall not (i) engage in any act of self-dealing as defined in Section 4941 9d) of the Code; (ii) retain any excess business holdings as defined in Section 4943 (c) of the Code; (iii) make any investments in such manner as to subject the Corporation to any tax under Section 4944 of the Code; or (iv) make any taxable expenditures as defined in Section 4945 (d) of the Code. (All referenced to the Code contained herein are deemed to include corresponding provisions of any future United States Internal Revenue Law.)

ARTICLE XI

SEAL AND FISCAL YEAR

Section 11.1 Seal

The Board of Directors may adopt a corporate seal, which shall be in the form of a circle and shall bear the full name of the Corporation and the year and state of its incorporation.

Section 11.2 Fiscal Year

The fiscal year of the Corporation shall be determined, and may be changed, by resolution of the Board of Directors.

ARTICLE XII

AMENDMENTS

Section 12.1

Amendments

New By-Laws may be adopted, or these By-Laws may be amended or repealed by the affirmative vote of the majority of the authorized number of members of the Board of Directors or by the written consent thereof, except as otherwise provided by the law or by the Articles of Incorporation.

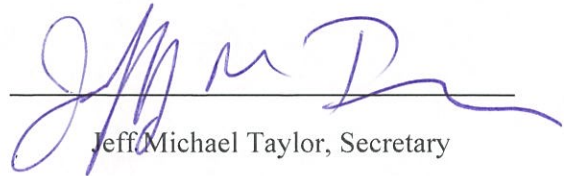
CERTIFICATE OF SECRETARY

I, Jeff Michael Taylor, hereby certify:

That I am the duly appointed Secretary of Perfect Union - RI, a Rhode Island nonprofit corporation; and

That the foregoing Unanimous Written Consent In lieu of Organizational meeting, Articles of Incorporation and the By-Laws comprising fifteen (15) pages, constitute the original By-Laws of said Corporation as duly adopted at the meeting of the Board of Directors held on the Initial Meeting of Board of Directors dated as of November 30, 2020.

IN WITNESS WHEREOF, I have hereunder subscribed my name this 3rd day of December 2020.



Jeff Michael Taylor, Secretary

**ACTION BY UNANIMOUS WRITTEN CONSENT OF
BOARD OF DIRECTORS
IN LIEU OF ORGANIZATIONAL MEETING OF PERFECT UNION - RI
a Rhode Island Nonprofit corporation**

December 1, 2020

The undersigned, constituting all the members of the board of directors (the "Board") of Perfect Union - RI a Rhode Island Nonprofit corporation (the "Corporation"), and all of the members of the Corporation (the "Members"), acting pursuant to Sections § 7-6-37 [and 7-6-15] of the Rhode Island Nonprofit Corporation Act, by their signature below or on a counterpart hereof, do hereby take the following actions and adopt the following resolutions as if adopted at duly noticed and validly held meetings of the Board and the Member, for the purpose of perfecting the organization of this corporation:

1. CERTIFICATION AND FILING OF CERTIFICATE OF INCORPORATION.

WHEREAS the Board believes it is in the best interests of the Corporation and its Member to authorize, adopt and approve the Articles of Incorporation as filed with the Secretary of State on November 23, 2020 in substantially the form attached hereto as Exhibit A (the "Articles").

WHEREAS, upon the filing of the Articles with the Secretary of State for the State of Rhode Island, the Corporation would intend to operate as a Compassion Center and provide medical marijuana to Patients Licensed Under The Rhode Island Medical Marijuana Program, Rigi Section 21-28.6- Et Seq. And Other Related Lawful Purposes.

NOW, THEREFORE, BE IT RESOLVED, that the Articles are hereby authorized, adopted and approved on behalf of the Corporation; and

RESOLVED, that the Secretary of this corporation is hereby authorized and instructed to insert in the Minute Book of this corporation a copy of the Certificate of Incorporation as filed in the Office of the Rhode Island Secretary of State and certified by the Secretary of State.

RESOLVED FURTHER, that the officers of the Corporation be and hereby are authorized and directed to file the Restated Articles with the Secretary of State for the State of Rhode Island, with any such changes therein and additions and modifications thereto as any such officer executing and filing the same on behalf of the Corporation shall approve, such approval to be evidenced conclusively by the execution and filing thereof with the Secretary of State.

2. ADOPTION OF BYLAWS.

RESOLVED FURTHER, The Board of Directors read, approved and duly adopted the proposed form of bylaws of the Association, in the form attached hereto as Exhibit B, as the bylaws of the Association. The Secretary, once elected, was authorized to authenticate the bylaws;

RESOLVED FURTHER, that the Secretary of this corporation, when appointed, is authorized

and directed to execute a Certificate of Adoption of these Bylaws and to insert them as certified in this corporation's Minute Book, and to see that a copy, similarly certified, is kept at this corporation's principal office for the transaction of its business.

3. ADMISSION OF MEMBER

RESOLVED, that Ocean State Cultivation Center (OSCC), LLC is hereby admitted as a regular member of the corporation.

4. BANKING RELATIONSHIP.

RESOLVED FURTHER, The Board hereby authorizes the corporate officers, President and Treasurer, to:

- (a) designate such bank or banks as depositories (a "Depository") for the funds of the Association as they deem necessary or advisable;
- (b) open, keep and close general and special bank accounts and safe deposit boxes with any Depository;
- (c) cause to be deposited in accounts with any Depository from time to time such funds of the Association as they may deem necessary or advisable, including any assessments collected under that certain Declaration, as it may be amended from time to time;
- (d) designate from time-to-time officers and agents of the Association authorized to sign or countersign checks, drafts or other orders for the payment of money issued in the name of the Association against any such account; and
- (e) make such general and special rules and regulations with respect to such accounts (including without limitation authorization for use of facsimile signature) as they may deem necessary or advisable.

If any Depository requires a prescribed form of preamble, preambles, resolution or resolutions relating to such accounts or to any application, statement, instrument or other document connected therewith, each such preamble or resolution shall be deemed to be adopted by the Board of Directors. The Secretary of the Association is authorized to certify the adoption of any such preamble or resolution as though it were presented to the Board of Directors at the time of adopting this resolution, and to insert all such preambles and resolutions in the minute book of the Association immediately following this resolution.

RESOLVED FURTHER, that all form resolutions required by such Bank(s) are hereby adopted in the form utilized by Bank(s), and the Secretary is hereby authorized to certify such resolutions as having been adopted by this unanimous written consent and is directed to insert the form of such resolutions in the Minute Book.

4. APPOINTMENT OF OFFICERS.

RESOLVED, the following persons were unanimously elected to serve in the corporate offices listed opposite such persons' names until the first annual meeting

of the Board of Directors or until such persons' successors are elected and qualified:

President
Secretary
Treasurer

Robert M McAuliffe Jr.
Jeff Michael Taylor
Robert Grillo

5. PRINCIPAL EXECUTIVE OFFICE.

RESOLVED FURTHER, that the principal executive office of this corporation shall be located at 65 Meadow Street, Warwick, RI 02886.

6. EMPLOYER IDENTIFICATION AND WITHHOLDING.

RESOLVED FURTHER, that the officers of this corporation are, and each acting alone is, hereby authorized and directed to take all actions deemed necessary or advisable to secure federal and state employer identification numbers and to comply with all laws regulating payroll reporting, withholding and taxes.

7. FISCAL YEAR.

The fiscal year of the Association shall be the year commencing January 1 and ending December 31 of each year.

8. RATIFICATION OF ACTS & GENERAL

RESOLVED, that any and all actions heretofore or hereafter taken by the incorporator, officers or directors of the corporation within the terms of any of the foregoing resolution are hereby ratified and confirmed as the act and deed of the corporation.

RESOLVED FURTHER, that each of the officers and directors of the corporation is hereby authorized and directed to execute and deliver any and all documents and to take such other action as he deems necessary, advisable, or appropriate to carry out the purposes and intent, but within the limitations, of the foregoing resolution.

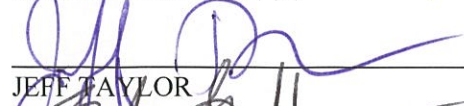
The undersigned, being all of the members of the Board of Directors of the Perfect Union - RI, hereby waive notice of the Organizational Meeting of Directors as described above and consent to all actions taken therein. This action shall be effective when the consent is executed and dated by all Directors. This consent may be executed in counterparts, each of which shall be an original, but all of which together shall constitute the same document. Delivery of an originally executed signature page or pages hereto, a counterpart signature page, or a photocopy thereof transmitted by facsimile transmission, or electronic transmission along with sufficient information to determine the sender's identity with respect to the electronic transmission, shall be as effective as delivery of a manually signed counterpart of this consent.

IN WITNESS WHEREOF, the undersigned have executed this Unanimous Written Consent effective as of the day first above written.

[Signature Page Follows]

DIRECTORS:


Richard M. McAuliffe Jr.


JEFF TAYLOR


ROBERT GRILLO

Member:

Ocean State Cultivation Center


David M. Spradlin, Manager

Perfect Union – RI Secretary of State Certificate of Good Standing



State of Rhode Island
Department of State | Office of the Secretary of State
Nellie M. Gorbea, Secretary of State

CERTIFICATE OF GOOD STANDING

I, Nellie M. Gorbea, Secretary of State and custodian of the seal and corporate records of the State of Rhode Island, hereby certify that:

Perfect Union - RI

is a Rhode Island Non-Profit Corporation organized on **November 23, 2020**. I further certify that revocation proceedings are not pending; articles of dissolution have not been filed; all annual reports are of record and the corporation is active and in good standing with this office.

This certificate is not to be considered as a notice of the corporation's financial condition or business practices; such information is not available from this office.



SIGNED and SEALED on

November 30, 2020

Secretary of State

Certificate Number: 20110123170

Verify this Certificate at: <http://business.sos.ri.gov/CorpWeb/Certificates/Verify.aspx>

Processed by: dantonelli

Annex B and C – Management Companies and Vendors

Management Company and Vendors

OSCC, LLC

OSCC: Perfect Union – RI’s “Cultivation and Quality Control Manager” through a “management contract”

OSCC: Perfect Union – RI’s Member as listed in Perfect Union – RI’s bylaws

OSCC: Financial Interest; MWG Holdings Group, Inc. is [REDACTED] member of OSCC

OSCC: Ownership Details:

1. MWG Holdings Group, Inc.
 - Owner of OSCC, LLC.

Managers:

David Michael Spradlin [REDACTED] Providence, R.I. 02906

Members:

MWG Holdings Group, Inc. [REDACTED] Sacramento, CA. 95815

1. MWG Holdings Group, Inc.

Directors:

David Spradlin

[REDACTED]
W Sacramento, CA 95605

Chris J. Running

[REDACTED]
Morro Bay, CA 93442

Shareholders:

David Spradlin

[REDACTED]
W Sacramento, CA 95605

Chris J. Running

[REDACTED]
Morro Bay, CA 93442

Mark Pelter

[REDACTED]
Sacramento, CA 95826

Mark Allarea

[REDACTED]
Auburn, CA 95603

Simon Nixon

[REDACTED]
[REDACTED] London
[REDACTED] United Kingdom

Thomas Sheridan

[REDACTED]
Folsom, CA 95630

Other

CEO; President

Chairman of the Board; Director

Own %

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

OSCC, LLC - Interest Holders Having Managerial or Operational Control

MWG Holdings Group, Inc. as [REDACTED] member and owner

[REDACTED]

Sacramento, CA. 95815

EIN: [REDACTED]

DOB: [REDACTED]

Tel: [REDACTED]

David Michael Spradlin as Manager

[REDACTED]

Providence, RI 02906

DOB: [REDACTED]

SSN [REDACTED]

Tel: [REDACTED]

Annex D – Management Companies and Loans

OSCC, LLC – Cultivation and Quality Control Management Agreement

MANAGEMENT SERVICES AGREEMENT

THIS MANAGEMENT SERVICES AGREEMENT (this “Agreement”), effective as of December 1, 2020 (the “Effective Date”), is made by and between Perfect Union – RI, a Rhode Island nonprofit corporation (the “Company”) and Ocean State Cultivation Center, a Rhode Island Limited Liability company (the “Manager”, and together with the Company, each a “Party” and collectively, the “Parties”).

RECITALS

WHEREAS, Company is engaged in, among other things, lawfully marketing, distributing, and selling cannabis pursuant to Chapter 21-28.6 Of The Rhode Island General Laws Entitled The Edward O. Hawkins And Thomas C. Slater Medical Marijuana Act, As Amended Including Amendment By The 2016 Public Laws, Chapter 142 (Budget Article 14).

WHEREAS, Company desires to further develop its cultivation, distribution, marketing and advertising strategies, business strategies, and effective management tools and processes;

WHEREAS, Manager is engaged in providing Management and support services for cannabis companies, including marketing and advertising, business planning, accounting and tax support services, and other various management support services; and

NOW, THEREFORE, in consideration of the respective mutual agreements, covenants, representations and warranties contained in this Agreement, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Appointment of Manager. The Company appoints the Manager and the Manager accepts appointment on the terms and conditions provided in this Agreement as Manager to the Company. Additionally, the Parties expressly acknowledge that certain individuals who are officers of the Manager may also from time to time serve as members of the Board of Managers of the Company (the “Board”). It is understood that the Manager’s rights and obligations hereunder shall be independent of the relationship between the Company and the Manager’s principals and the respective Board in performing its services hereunder, the Manager itself is not acting in the capacity of equity holders of the Company or any of its subsidiaries or as members of the management team of the Company.

THIS AGREEMENT DOES NOT CONSTITUTE A HIRING BY EITHER PARTY. It is the intention of the Parties that Manager and its representatives shall be INDEPENDENT CONTRACTORS and not employees or franchisees of the Company for all purposes, including, but not limited to, the application of the Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Act, the provisions of the Internal Revenue Code, any State of Rhode Island revenue and taxation code relating to income tax withholding at the source of income, State of Rhode Island Workers’ Compensation Act, and the State of Rhode Island Unemployment Insurance Code. Manager shall retain the sole and absolute discretion and judgment of the manner and means of carrying out Manager’s duties and responsibilities under the terms and conditions of

this Agreement and compliance therewith. This Agreement shall not be construed to create an agency relationship, joint venture or partnership as between Company and Manager. Manager states and affirms that Manager is acting as a free agent and independent contractor, holding out to the general public, as such.

2. Cooperation. Each of Manager and the Company shall use commercially reasonable efforts to perform and fulfill all of its respective obligations to be fulfilled or performed by it under this Agreement.

3. Services of the Manager. Subject to any limitations imposed by applicable state and local laws or regulations, the Manager shall provide the following services (collectively, the "Services"):

(a) Manager shall assist the Company with developing and implementing standard operating procedures and best practices related to security, inventory control, quality control, recordkeeping, patient education and services, community impact and involvement as well as any procedures or any amendments thereto (the "Quality Control Support Services").

(b) Manager shall assist the Company by cultivating, curing, processing, and providing medical marijuana and medical marijuana products ("Products") pursuant Chapter 21-28.6 Of The Rhode Island General Laws Entitled The Edward O. Hawkins And Thomas C. Slater Medical Marijuana Act, As Amended Including Amendment By The 2016 Public Laws, Chapter 142 (Budget Article 14) (the "Product Inventory Services").

(b) Manager shall assist the Company in its selection of security services, including equipment selection, installation and maintenance as well as onsite security personnel and offsite security monitoring services (the "Security Support Services").

(c) Manager shall assist the Company with its marketing, including development and dissemination of marketing materials and programs to raise awareness of the Company's products and services (the "Marketing Support Services").

(d) Manager shall provide information technology ("IT") services, including maintenance of IT resources, staffing to support the Company's IT systems, support of information security and communication systems, database support, disaster recovery, support of core systems, support of maintenance contracts, equipment and software and an IT help desk (the "IT Support Services").

(e) Manager shall assist the Company in its collection efforts and securely depositing such payments (the "Cash Management Support Services").

(f) Manager shall provide accounting services, including budget preparation, financial statement preparation, support of resource allocation and accounting support services (the "Accounting Support Services").

(g) Manager shall provide tax support services, including tax support and tax compliance services, to the extent necessary to ensure that the Company materially complies with applicable tax laws (the "Tax Support Services").

(h) Manager shall assist the Company with inventory management, regulatory compliance and the payment of expenses (the "Inventory and Regulatory Support Services").

The Manager shall provide and devote to the performance of this Agreement such employees, affiliates and agents of the Manager as the Manager shall deem appropriate to the

furnishing of the Services. Notwithstanding the foregoing, the Company shall at all times retain all responsibility for, and control of, the cannabis business operations of the Company.

4. Reimbursement of Expenses; Independent Contractor. All reasonable preapproved obligations or expenses incurred by the Manager in the performance of its duties under this Agreement shall be for the account of, on behalf of, and at the expense of the Company, and shall be promptly reimbursed by the Company. The Manager shall not be obligated to make any advance to or for the account of the Company or to pay any sums, except out of funds held in accounts maintained by the Company, nor shall the Manager be obligated to incur any liability or obligation for the account of the Company. The Company shall reimburse the Manager by wire transfer of immediately available funds for any amount paid by the Manager, which shall be in addition to any other amount payable to the Manager under this Agreement.

5. Compensation of Manager.

(a) In consideration of Services to be rendered, during the Term of this Agreement and for as long as the Manager provides the Services, Company will pay to the Manager [REDACTED] of Compassion Sales Revenue to be paid in monthly and each payment is to be made on the 1st of month.

(b) Any payment pursuant to this Section 5 shall be made in cash, by wire transfer(s), check, or money order of immediately available funds to or among one or more accounts as designated from time to time by the Manager to the Company in writing.

6. Compensation for Products. Manager shall cultivate, process, manufacture and supply to Company medical marijuana (the "Products") at their state licensed cultivation facility located at 65 Meadows Street, Warwick, RI, 02886. The purchase price to be paid by Company for each Product is listed on Exhibit A, and the additional price to be paid by Company for packaging Product into Finished Goods is listed on Exhibit B, as may be amended in writing from time to time and signed by both parties.

7. Term. The initial term of this Agreement is Five (5) years and shall renew automatically on a year to year basis thereafter unless and until either Party terminates this Agreement by sixty (60) days' written notice to the other (the "Term"). Any Party hereto may terminate this Agreement upon breach of any other material terms or conditions of this Agreement or any other agreement or undertaking entered into between the Parties and if such breach shall continue uncured for a period of thirty (30) days after written notice thereof has been given to the breaching Party. Manager may terminate this Agreement at any time upon giving the Company thirty (30) days prior written notice. No termination of this Agreement, whether pursuant to this Section 6 or otherwise, shall affect the Company's obligations with respect to the fees, costs and expenses previously approved and incurred by the Manager in rendering services hereunder and not reimbursed by the Company as of the effective date of such termination. In addition, the provisions of Sections 7, 8, 16, and 19 shall survive the termination of this Agreement and remain binding and in effect. If, at any time, Company receives notice from any state or local agency that any License, as defined in Section 7(b), is at risk due to the conduct or services of the Manager, Company shall immediately notify Manager of such notice, and after taking all reasonable commercial efforts and exhausting all statutory cure procedures and periods, Company may terminate this Agreement and the rights granted hereunder, without prejudice to the enforcement of any other legal right or remedy, immediately upon giving written notice of such termination. In the event of any termination of this Agreement (other than termination based upon risk of its Licenses, as defined in Section 7(b), as set forth herein) by the Company, at any time and for any reason, such termination shall not become effective until the date that is one hundred eighty (180) days following the receipt of notice of such termination by Manager, during which time the Parties

shall cooperate in good faith to operate in accordance with the terms of this Agreement and any other agreements between the parties, and during which time each party shall continue to comply with all of its covenants and obligations hereunder, except as otherwise agreed by the mutual written consent of the Manager and the Company.

8. Representations and Warranties/Covenants.

(a) Each party hereby represents and warrants to the other party, as of the Effective Date, as follows:

(i) Organization. It is a company duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, and has all requisite power and authority, corporate or otherwise, to execute, deliver and perform this Agreement.

(ii) Authorization. The execution and delivery of this Agreement and the performance by it of the transactions contemplated hereby have been duly authorized by all necessary action and will not violate (a) such party's organizational documents, bylaws and operating agreement, (b) any agreement, instrument or contractual obligation to which such party is bound in any material respect, (c) any requirement of any applicable laws, or (d) any order, writ, judgment, injunction, decree, determination or award of any court or governmental agency presently in effect applicable to such party.

(iii) Binding Agreement. This Agreement is a legal, valid and binding obligation of such party enforceable against it in accordance with its terms and conditions.

(iv) No Inconsistent Obligation. It is not under any obligation, contractual or otherwise, to any person that conflicts with or is inconsistent in any respect with the terms of this Agreement or that would impede the diligent and complete fulfillment of its obligations hereunder.

(b) The Company hereby (i) represents and warrants to Manager, as of the Effective Date, that it holds all valid state, local and municipal licenses, permits and certificates required to operate its business in full compliance with applicable laws, ordinances and regulations, each of which such licenses, permits and certificates are attached hereto as Exhibit A (collectively, the "Licenses"), and each of which is current, in effect, and the transactions contemplated hereby will not cause the Company to breach or violate any such Licenses, and (ii) covenants that it will use its best efforts to maintain such license and obtain and maintain a Certificate of Registration throughout the Term. In addition, the Company shall notify Manager immediately upon the expiration, non-renewal, termination, suspension or other withdrawal of such License or Certificate of Registration for any reason.

9. Indemnification; Limitation of Liability; Insurance.

(a) Indemnity. Company or Manager (as the case may be, the "Indemnifying Party") shall indemnify and hold harmless the other party, its affiliates and their respective officers, members, directors, employees and agents (collectively, the "Indemnified Party") from and against all claims, demands, losses, liabilities, damages, fines, costs and expenses, including reasonable attorneys' fees and costs and amounts paid in settlement (collectively, the "Damages"), arising out of: (1) the negligence, recklessness, bad faith, intentional wrongful acts or omissions of the Indemnifying Party or its affiliates or representatives in connection with activities undertaken pursuant to this Agreement, except to the extent that Damages arise out of the negligence, recklessness, bad faith or intentional wrongful acts or omissions committed by the Indemnified Party or its affiliates (or, to the extent permitted under this Agreement, their respective representatives working on their behalf); and (2) any breach by the Indemnifying Party or its affiliates or representatives of the covenants and agreements of, or the representations and warranties made

in, this Agreement. The Indemnified Party may participate in, but not control, any defense or settlement of any claim controlled by the Indemnifying Party and if such claim is being defended by the Indemnifying Party, the Indemnified Party shall bear its own costs and expenses with respect to such participation.

(b) Procedures. The Indemnifying Party shall reimburse the Indemnified Party promptly upon demand for any legal or other fees or expenses reasonably incurred by the Indemnified Party in connection with investigating or defending any such loss, claim, damage or liability (or actions, suits, or proceedings in respect thereof), provided that the Indemnified Party must immediately notify the Indemnifying Party of the claim or proceeding and has otherwise complied with this Agreement and that Indemnifying Party has the right to defend any claim. If Indemnifying Party defends the claim, the Indemnified Party has no obligation to indemnify or reimburse the Indemnified Party with respect to any fees or disbursements of any attorney retained by the Indemnified Party.

(c) Insurance.

(i) Insurance Obligations. Each party shall obtain and maintain general liability insurance (in amounts and with limits that are satisfactory to all parties) insuring against any general acts of malfeasance or negligence by the Manager and the Manager Group within the scope of their leased duties hereunder; provided, that, the Manager's obligation pursuant to this Section 8(c)(i) shall be limited to coverage for only those individuals that Manager loans to the Company hereunder.

(ii) Cooperation in the Event of a Claim. Subject to the terms of the respective insurance policies described in this Section 8(c), the parties shall cooperate with each other in the conduct of any suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to any party because of the injury with respect to which the insurance is afforded, and each party, upon reasonable request, shall attend relevant portions of hearings and trials and reasonably assist in securing evidence and obtaining the attendance of witnesses.

(d) Limitation on Liability. UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER OR ANY OF ITS AFFILIATES FOR (I) ANY SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS OR LOST REVENUES, (II) COST OF PROCUREMENT OF SUBSTITUTE GOODS, TECHNOLOGY OR SERVICES, WHETHER UNDER ANY CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY OR (III) ANY LIABILITY, DAMAGE, LOSS OR EXPENSE UNDER THIS AGREEMENT IN EXCESS OF THE AGGREGATE SERVICE FEES PAID UNDER THIS AGREEMENT.

10. Assignment. Neither party may not sell, assign, in whole or in part, this Agreement or any rights hereunder, or to delegate any duties to an unrelated third-party hereunder, without the prior written consent of the other parties hereto. Any actual or purported assignment occurring by operation of law or otherwise without the other parties' prior written consent shall be a material default of this Agreement and shall be null and void.

11. Notices. All notices, demands, or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given or made when (i) delivered personally to the recipient, (ii) telecopied to the recipient (with hard copy sent to the recipient by reputable overnight courier service (charges prepaid) that same day) if telecopied before 5:00 p.m. pacific standard time on a business day, and otherwise on the next business day, (iii) one business day after being sent to the recipient by reputable overnight courier service (charges prepaid) or (iv) received via electronic mail by the recipient (with hard copy sent to the recipient by reputable overnight courier service (charges prepaid) that same day) if received via electronic mail before 5:00 p.m. pacific standard time on a

business day, and otherwise on the next business day after such receipt. Such notices, demands, and other communications shall be sent to the address for such recipient indicated below:

If to the Company: Perfect Union - RI
65 Meadow Street
Warwick, RI 02886

If to the Manager: Ocean State Cultivation Center
65 Meadow Street
Warwick, RI 02886
Attn: David Spradlin

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

12. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal, or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and this Agreement will be reformed, construed, and enforced in such jurisdiction as if such invalid, illegal, or unenforceable provision had never been contained herein.

13. No Waiver. The failure by any party to exercise any right, remedy or elections herein contained or permitted by law shall not constitute or be construed as a waiver or relinquishment for the future exercise of such right, remedy or election, but the same shall continue and remain in full force and effect. All rights and remedies that any party may have at law, in equity or otherwise upon breach of any term or condition of this Agreement, shall be distinct, separate and cumulative rights and remedies and no one of them, whether exercised or not, shall be deemed to be in exclusion of any other right or remedy.

14. Cannabis Industry Disclosure; Waiver.

(a) By signing this Agreement, each party understands and acknowledges that United States federal law prohibits the use, possession, cultivation, and distribution of cannabis. Although many states have legalized cannabis to varying degrees, companies and individuals involved in the sector are still at risk of being prosecuted by federal authorities, even in so-called ancillary businesses that service or supply cannabis growers or sellers or otherwise aid or abet their activities. Such prosecution may implicate a wide range of criminal, civil, and regulatory violations, such as trafficking, racketeering, and money-laundering. In addition, federal bankruptcy courts may not be available to participants in the cannabis industry, and participants in the cannabis industry may be treated differently under federal tax laws. Moreover, participants in the cannabis industry may not have access to federally insured banks and other financial institutions. Both parties confirm their understanding that the regulatory landscape in the cannabis industry changes rapidly. This means that at any time, a city, county, or state where cannabis is permitted can change its current laws and/or the federal government can disregard those laws and take prosecutorial action. Such change in the current laws and/or the federal government taking prosecutorial action without change in the current laws shall be grounds for termination of the Agreement by Manager pursuant to Section 6 of this Agreement.

(b) Furthermore, it is possible that the conflict between state and federal law may have an impact on the relationship of the parties, including this Agreement. For example, federal law enforcement authorities may determine to prosecute one of the parties to this Agreement for its participation in the cannabis industry. Such federal investigations or prosecutions may require such party to disclose

otherwise confidential information and/or breach its confidentiality and fiduciary duties to the other party. Both parties hereby confirm their understanding of this risk.

(c) Each party to this Agreement hereby (i) acknowledges and agrees that in the event the other party to this Agreement, the other party's members, managers, officers or any of their respective subsidiaries, acting in accordance with and pursuant to the provisions of this Agreement and in accordance with all applicable laws, other than federal law relating to cannabis as set forth herein, is charged with, or convicted of, any violation of federal law or regulation regarding cannabis or cannabis products, such charge or conviction shall not be deemed to be a breach of this Agreement by the other party, (ii) acknowledges and agrees that such party will have no claim against the other party, the other party's members, managers, officers or any of their respective subsidiaries on account of any such charge or conviction, including but not limited to, any claim under this Agreement, (iii) waives any and all rights it may have to assert any claim against the other party, the other party's members, managers, officers or any of their respective subsidiaries on account of any such charge or conviction, including but not limited to, any claim under this Agreement, and (iv) releases and forever discharges the other party, the other party's members, managers, officers or any of their respective subsidiaries from any and all liability to such party on account of any such charge or conviction, including but not limited to, any claim under this Agreement.

15. Entire Agreement; Amendment. This Agreement contains the entire agreement between the parties hereto with respect to the matters herein contained and any agreement hereafter made shall be ineffective to effect any change or modification, in whole or in part, unless such agreement is in writing and signed by the party against whom enforcement of the change or modification is sought. The provisions of this Agreement may be amended or modified only with the prior written consent of the Company and the Manager.

16. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of Rhode Island, without giving effect to any choice of law or conflict of law rules or provisions (whether of Rhode Island or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than Rhode Island.

17. Dispute Resolution; Mediation; Mandatory Arbitration.

(a) If there is any dispute or controversy relating to this Agreement or any of the transactions contemplated herein (each, a "Dispute"), such Dispute shall be resolved in accordance with this Section 16.

(b) The party claiming a Dispute shall deliver to each of the other party a written notice (a "Notice of Dispute") that will specify in reasonable detail the dispute that the claiming party wishes to have resolved. If the parties are not able to resolve the Dispute within five (5) business days of a party's receipt of an applicable Notice of Dispute, the parties shall enter into mediation administered in Warwick, Rhode Island. The mediation process and any documents or exhibits utilized in conducting the same shall be confidential and inadmissible in any future proceeding. All such proceedings provided for in this Section 16(b) must be concluded within thirty (30) days of the issuance of the Notice of Dispute.

(c) If the parties to the Dispute are not able to resolve their Dispute after application of Section 16(a) and (b), to the maximum extent allowed by applicable law, the Dispute shall be submitted to and finally resolved by binding arbitration. Any party may file a written Demand for Arbitration with the American Arbitration Association (AAA) Regional Office closest to the Company's principal office, and shall send a copy of the Demand for Arbitration to the other parties. The arbitration shall be conducted pursuant to the terms of the Federal Arbitration Act and the Commercial Arbitration Rules of AAA except that discovery may be had in accordance with the Federal Rules of Civil Procedure. The venue for the arbitration shall be Warwick, Rhode Island. The arbitration shall be conducted before one arbitrator selected through the American

Arbitration Association's arbitrator selection procedures. The arbitrator shall promptly fix the time, date and place of the hearing and notify the parties. The parties shall stipulate that the arbitration hearing shall last no longer than five (5) Business Days. The arbitrator shall render a decision within ten (10) days of the completion of the hearing, which decision may include an award of legal fees, costs of arbitration and interest. The arbitrator shall promptly transmit an executed copy of its decision to the parties. The decision of the arbitrator shall be final, binding and conclusive upon the parties. Each party shall have the right to have the decision enforced by any court of competent jurisdiction. Notwithstanding any other provision of this Section 16, any Dispute in which a party seeks equitable relief may be brought in any court within the United States which has jurisdiction over Company. Each party (a) acknowledges that the other parties would be irreparably damaged if any of the provisions of this Agreement are not performed by such party in accordance with their specific terms and (b) agrees that the other parties are entitled to injunctive relief to prevent breaches of this Agreement, and have the right to specifically enforce this Agreement and the terms and provisions hereof, in addition to any other remedies available at law or in equity.

18. Successors. This Agreement and all the obligations and benefits hereunder shall inure to the successors and permitted assigns of the parties.

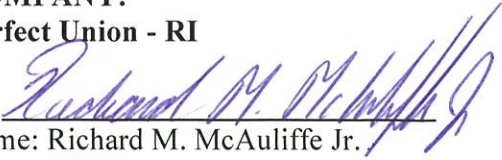
19. Counterparts. This Agreement may be executed in multiple counterparts with the same effect as if all signing Parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

20. Confidentiality. Neither Party may disclose the terms of this Agreement nor any information, documents, or trade secrets of the other Party obtained as part of this Agreement or by providing the Services pursuant to this Agreement, except as may be required by applicable law.

[Signatures on the next page]

IN WITNESS WHEREOF, the Parties hereto have caused this Management Services Agreement to be executed and delivered as of the date first above written.

COMPANY:
Perfect Union - RI

By: 
Name: Richard M. McAuliffe Jr.
Title: CEO

MANAGER:
OSCC, INC.

By: 
Name: David Spradlin
Title: Manager

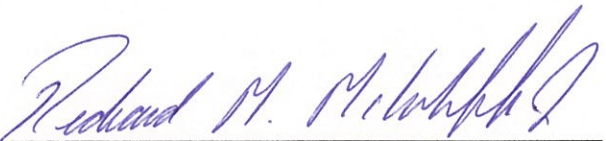
Part 5 – Compassion Center Application Required Exhibits

CC Exhibit A – Disclosure of Material Financial Interests/Divestiture Plan

Attach hereto as CC Exhibit A is Applicant's complete disclosure statement of any material financial interests or control in another Rhode Island compassion center, cultivator, cooperative cultivation, or other marijuana establishment licensee and a plan of divestiture in compliance with §§ 1.2(C)(4)(i) & 1.2(F)(7). Please review the definition of "material financial interest or control" in § 1.1(A)(30) of the Regulations.

The materials must demonstrate Applicant's understanding of and ability to comply with the requirements under the Act and the Regulations.

[ATTACH AND SIGN BELOW – If None, state "None" and Sign]

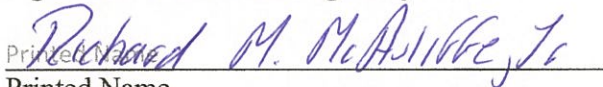


Signature of Authorized Signatory



Click here to enter a date.

Date



Printed Name

Print Title:

Print Name of Applicant/Licensee:

EXHIBIT A
Products

Product	Cost
Processed Flower, Indoor (strains to be agreed by the Parties)	\$1,600 per lb.

Promissory Note

PROMISSORY NOTE

Principal Amount: [REDACTED]

Date: December 8, 2020

Warwick, Rhode Island

1. **Promise to Pay; Interest.** FOR VALUE RECEIVED, the undersigned, Perfect Union - RI with a mailing address of 65 Meadows Street, Warwick, RI, 02886 ("Maker"), promises to pay to the order of MWG Holdings Group, Inc. (collectively "Holders"), or his respective successors, assigns or designees at [REDACTED] Sacramento, CA 95815, or such other addresses as may be designated by Holder from time to time, the principal sum of [REDACTED] Dollars [REDACTED] (the "Loan Amount") in lawful money of the United States of America, with simple interest on the unpaid balance of [REDACTED] per annum, non-compounded (the "Interest Rate"), from the date hereof until the Maturity Date (as hereinafter defined), in accordance with the terms and conditions set forth in this promissory note (the "Note").

2. **Payments; Maturity Date.** Commencing on June 1, 2021, the interest and principal balance of the Loan Amount shall be paid in Quarterly installments of [REDACTED] Dollars (\$[REDACTED]) (each, a "Quarterly Installment") due on the first (1st) day of the first, fourth, seventh, and tenth month of the calendar year beginning on [October 1, 2021] and continuing through [July 1, 2023] (the "Maturity Date"). Maker shall have the right to prepay this Note in whole or in part at any time during the entire term hereto, without the prior consent of Holder, without penalty or premium. Any accrued interest shall be due and payable with each scheduled payment.

3. **Place of Payment.** Payment shall be made by Maker to the Holder at the addresses of the Holder set forth in Paragraph 1 above or at such other addresses as may be designated by the Holder.

4. **Application of Payments.** All payments shall be applied first to the payment of any costs, fees, or other charges due under this Note; second to due and payable interest at the rate then in effect under the terms hereof; and third to the principal balance. All payments hereunder which are due on a Saturday, Sunday or holiday shall be deemed to be payable on the next business day.

5. **Default; Remedies.** The failure of the Maker to make any Quarterly Installment payment under this Note when due, and the Maker's subsequent failure to make such Quarterly Installment payment within ten (10) days of notification by the Holder that such Quarterly Installment is past due shall constitute an "Event of Default" under this Note. Upon any Event of Default that continues for more than thirty (30) days following such notification, Holder shall have remedies under that certain Pledge and Security Agreement by and between the Maker and the Holder dated of even date herewith (the "Security Agreement – Assets") and the Pledge and Security Agreement between Perfect Union – RI ("Perfect Union") (the "Security Agreement – Equity") (collectively the Security Agreement – Assets and the Security Agreement – Equity the "Security Agreements").

6. **Security.** The Maker hereby acknowledges that this Note is secured by one hundred percent (100%) of the membership interest of Maker (the "Pledged Equity") and the assets of Perfect Union (the "Pledged Assets"). As more specifically set forth in the Security Agreements, Maker has granted a first priority security interest to the Holder in and to all of the Maker's right, title and interest in, to and under the Pledged Equity and Perfect Union has granted a first priority security interest to the Holder in and to all of Perfect Union's right, title and interest in, to and under the Pledged Assets.

7. **Waivers.** Except as otherwise expressly provided herein, Maker waives any right against the debt evidenced hereby and waives demand, diligence, presentment for payment, protest, and notice of demand, protest, non-payment, and exercise of any option hereunder.

8. **Assignment.** This Note may not be assigned by the Maker without the express written consent of the Holder. This Note is freely assignable by the Holder upon providing written notice to the Maker.

9. **No Waiver to Enforce; No Release from Obligations.** The failure of the Holder to exercise any option hereunder shall not constitute a waiver of the right to exercise the same in the event of any subsequent default, or in the event of continuance of any existing default after demand for strict performance. The Maker further agrees that the granting without notice of any extension or extensions of time for payment of any sum or sums due hereunder, or under any security agreement or other instrument securing this Note, or for the performance of any covenant, condition, or agreement hereof or thereof, or the taking or release of security shall in no way release or discharge the liability of the Maker hereof.

10. **Governing Law; Venue.** To the extent not preempted by federal law, this Note shall be governed by the laws of the State of Rhode Island, without reference to its conflict of laws provisions. The parties further agree that the venue for any action arising out of, related to, or in connection with this Note shall be the state courts in Warwick County, Rhode Island, and the parties hereto agree to the jurisdiction and venue of the courts of said state to the exclusion of any other courts which otherwise may have had jurisdiction. This Note may be introduced in any proceeding to establish the rights of any party under this Note.

11. **Federal Law; Waiver.** The parties expressly understand, acknowledge, and agree that the cultivation, distribution, manufacture and sale of marijuana (collectively, the "Prohibited Activities") violates federal law, including, without limitation, the Controlled Substances Act, codified at 21 U.S.C. §801 *et seq.* (the "CSA"). The parties further understand, acknowledge, and agree that he, she, or it is entering into this Note in compliance with the laws of the The Rhode Island General Laws Entitled The Edward O. Hawkins And Thomas C. Slater Medical Marijuana Act, As Amended Including Amendment By The 2016 Public Laws, Chapter 142 (Budget Article 14); and the Rhode Island Revenue & Taxation Code regarding the Prohibited Activities (collectively the "Marijuana Laws"). The parties understand, acknowledge, and agree that the Cannabis Laws are subject to interpretation and further regulation regarding the Prohibited Activities. Each party shall adhere to the laws and policies of all governmental authorities, including but not limited to, the Cannabis Laws, so as not to subject the other party to enforcement action by any governmental authority. Furthermore, the Holder:

a) Understands, acknowledges and agrees that in the event the Maker, or any of its affiliates, successors, assigns or transferees, acting in accordance with and pursuant to the provisions of the this Note, the Security Agreements, and the Membership Interest Purchase Agreement of even date herewith (collectively, the "Transaction Documents") and in accordance with the Cannabis Laws, is charged with, or convicted of, any violation of the CSA or any other law, rule regulation or order of the United States government, or any agency or instrumentality thereof, regarding cannabis or cannabis products, such charge or conviction shall not be deemed to be a breach of the Transaction Documents by the Maker or any such affiliate, successor, assign or transferee;

b) Understands, acknowledges and agrees that the Holder will have no claim against the Maker or any of their respective affiliates, successors, assigns or transferees on account of any such charge or conviction, including but not limited to, any claim under this Note or the Transaction Documents;

c) Expressly waives any and all rights they may have to assert any claim against the Maker or any of its respective affiliates, successors, assigns or transferees on account of any such charge or conviction, including but not limited to, any claim under this Note or the Transaction Documents;

d) Releases and forever discharges the Maker and its affiliates, successors, assigns or transferees from any and all liability to the Holder on account of any such charge or conviction, including but not limited to, any claim under this Note or the Transaction Documents; and

e) Expressly, and unequivocally without any reservation, waives any right to litigate any matter arising under, or in relation to, this Note or the Transaction Documents in any federal court or to remove a case filed in a State of Rhode Island court to federal court, and waive illegality, with respect to any federal law, as a defense to any action to enforce or interpret this Note or the Transaction Documents.

12. **Time.** Time is of the essence of this Note and each of the provisions hereof.

13. **Interest Limitation.** All agreements between the Maker and the Holder are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of maturity of the indebtedness evidenced hereby or otherwise, shall the amount paid or agreed to be paid to the Holder for the use, forbearance, loaning or detention of the indebtedness evidenced hereby exceed the maximum permissible under applicable law. If, from any circumstance whatsoever, fulfillment of any provision hereof at any time given the amount paid or agreed to be paid shall exceed the maximum permissible under applicable law, then, the obligation to be fulfilled shall automatically be reduced to the limit permitted by applicable law, and if from any circumstance the Holder should ever receive as interest an amount which would exceed the highest lawful rate of interest, such amount which would be in excess of such highest lawful rate of interest shall be applied to the reduction of the principal balance evidenced hereby and not to the payment of interest. This provision shall control every other provision of all agreements between the Maker and the Holder and shall be binding upon and available to any subsequent holder of this Note.

14. **Captions.** The captions to the sections of this Note are for convenience only and shall not be deemed part of the text of the respective sections and shall not vary, by implication or otherwise, any of the provisions of this Note.

15. **Notices.** All notices or communication required or committed to be given hereunder to the Maker or the Holder shall be in writing and personally delivered, sent by facsimile, sent by electronic mail, sent by overnight delivery, or sent by certified U.S. Mail, return receipt requested, to the Maker or the Holder at the addresses set forth in Section 1. Notices shall be effective as follows:

- a) If personally delivered, as soon as it is delivered;
- b) If by facsimile, on the date and time of transmission thereof as indicated on the facsimile confirmation sheet received after transmission;
- c) If by electronic mail, on the date and time as indicated on such electronic correspondence;
- d) If by overnight delivery, the day after delivery thereof to a reputable overnight courier service, delivery charges prepaid; or
- e) If mailed by U.S. Mail, at midnight on the third (3rd) business day after deposit in the mail, postage prepaid.

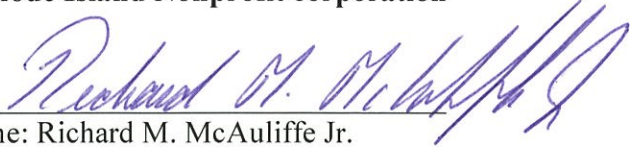
16. **Modification.** This Note may not be amended or modified, nor will any waiver of any provision hereof be effective, except by an instrument in writing signed by the party against whom enforcement of any amendment, modification, or waiver is sought.

17. **Severability.** If any provision of this Note, or the application of it to any party or circumstance is held void, invalid, or unenforceable by a court of competent jurisdiction, the remainder of this Note, and the application of such provision to other parties or circumstances, shall not be affected thereby, the provisions of this Note being severable in any such instance.

The Maker has executed this Note as of the date first above written.

MAKER:

Perfect Union -RI
a Rhode Island Nonprofit corporation

By: 

Name: Richard M. McAuliffe Jr.

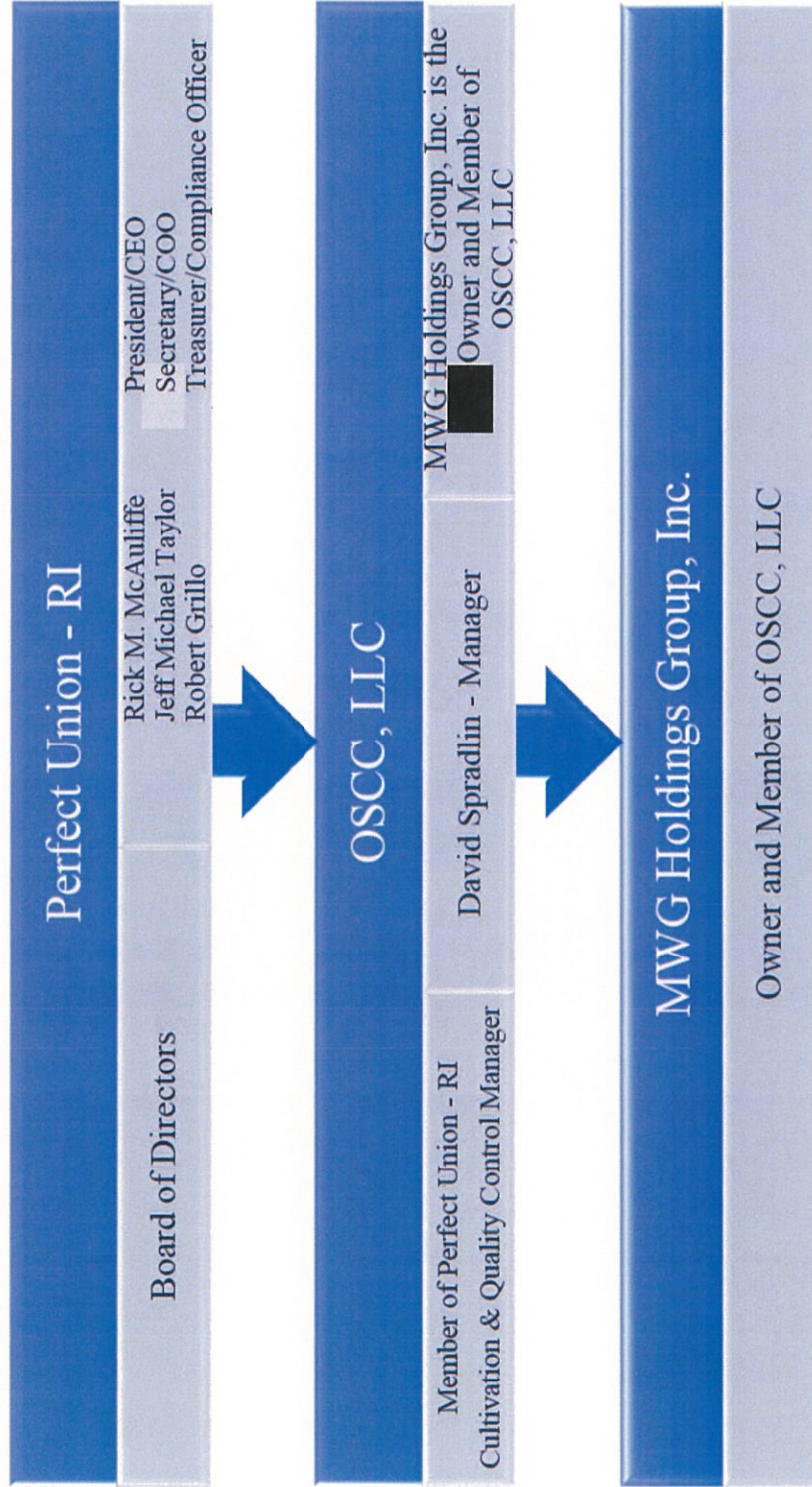
Its: CEO

EXHIBIT A

PAYOUT SCHEDULE

Payout Schedule – Startup Capital					
					Gross Payment
Beginning Balance	Loan Balance	Interest Rate	Interest Payment	Amortization	Total Payment
Q1					
Q2					
Q3					
Q4					
Q5					
Q6					
Q7					
Q8					
Total Paid from Note					

Organizational Chart



Cultivation &
Quality Control
Management
Agreement

OSCC, LLC

Manager: David Spradlin

Owner and Member: MWG Holdings Group, Inc.

Annex E – Related Party Transactions

Transactions Between Related Parties

None.

Annex F – Real Estate

Lease for 52 River Avenue, Providence, RI 02908

**COMMERCIAL LEASE
(Single-Tenant Building)**

EFFECTIVE DATE: May__3, 2018

BETWEEN: THOMAS A. COLOGNA
("Landlord") with a mailing address of [REDACTED],
[REDACTED], Roseville, CA 95661

AND: MWG HOLDINGS LLC ("Tenant") with a mailing address of 1025
Joellis Way, Sacramento, CA 95815

RECITALS

A. Landlord is in the process of acquiring a building and other improvements on that certain parcel of land commonly known as 52 River Avenue, Providence, Rhode Island 02908 (the "Premises"); and

B. Landlord desires to lease to Tenant and Tenant desires to lease from Landlord the Premises as depicted on Exhibit A, on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties, intending to be legally bound, agree as follows:

AGREEMENT

1. LEASE AND TERM.

1.1. Lease of Premises. In consideration of the covenants and agreements herein contained, Landlord does hereby lease the Premises to Tenant, and Tenant does hereby lease the Premises from Landlord.

1.2. Term. The term of this Lease ("Term") shall be for a period of 60 months, commencing on Lease Commencement Date, unless sooner terminated as hereinafter provided.

1.3. Extension Option. As long as Tenant is not in default under this Lease at the time of exercise or as of the date of commencement of the Extension Period, Landlord hereby grants Tenant an option to extend this Lease (the "Option") for an additional period of 60 months (the "Extension Period"), on the same terms, covenants, and conditions of this Lease, except that the Base Rent will be determined according to Section 2.2 below and Tenant shall have no further option to extend this Lease. Tenant will exercise the Option, if at all, by giving Landlord written notice (the "Option Notice") at least ninety (90) days before the expiration of the initial Term. The Extension Period shall commence on the day following expiration of the initial Term.

1.4. Condition of Premises; No Warranties. Tenant acknowledges that it has inspected the Premises and accepts the Premises in its present condition subject to Landlord's warranty that the Premises as delivered is compliant with applicable law.

Tenant may, at Landlord's expense, through a licensed and bonded contractor, and accordance with all city codes make all necessary Tenant Improvements ("TIs") on the Premises including adding mezzanine floors for cultivation activities, in which case, the monthly rent does not change. Electrical, HVAC and related equipment costs, including grow lights, necessary to support the cultivation activities shall be borne by Landlord upon successful receipt of licenses. Landlord shall have the right to approve all Tenant Improvement plans before any work begins. Landlord's total contribution to the Tenant Improvements shall not exceed \$160,000.00. Paydown of the tenant improvement cost shall be deemed to be paid down as if they were amortized over a ten-year period, without interest, over the course of the lease. If the lease term runs less than ten years, Tenant shall make a one-time payment to Landlord to pay off the remaining balance of the tenant improvement cost. In the event the Lease term runs for ten years, the tenant improvements shall be deemed paid in full.

Tenant further acknowledges that neither Landlord nor any broker or agent has made representations or warranties as to the size, configuration or condition of the Premises, any of the systems servicing the Premises or any improvements thereon, or the adequacy of the Premises for Tenant's intended use. Provided that the Premises are delivered in the foregoing condition, Tenant shall accept the Premises in its "AS IS/WHERE IS" condition based solely upon its own inspection and not upon any representations or warranties by Landlord and except as specifically set forth in this Lease, Landlord has no obligation and has made no promises to alter, remodel, improve, maintain, repair, decorate or paint the Premises or any part thereof. If delivery or possession of the Premises is delayed for any reason whatsoever, this Lease shall not be void or voidable nor shall any delay in delivery or possession of the Premises operate to extend the Term or amend Tenant's obligations under this Lease; provided, that in the event of any such delay, as Tenant's sole remedy, the commencement of this Lease shall be delayed until such delivery is made. Tenant's taking of possession of the Premises shall be deemed for all purposes to be Landlord's satisfaction of its obligations to deliver the Premises to Tenant in the condition required herein.

2. RENT.

2.1. Rent. This Lease shall commence on June 1, 2018. The term "Rent" as used in this Lease includes Base Rent, Operating Expenses, taxes and insurance and all other sums due under this Lease. Base Rent is payable by Tenant in advance on the first day of each calendar month. Operating Expenses, Taxes and insurance are payable by Tenant on or before the due date. Payment of all Rent will be made to Landlord at such address as may be designated by Landlord from time to time.

2.2. Base Rent. Tenant will pay the following annual base rent (the "Base Rent") to Landlord in equal monthly payments during the original Term and, if the Option is exercised, during the Extension Period:

Time Period	Monthly Base Rent
Months 1 – 60	\$7,500

If Tenant exercises its Option as provided in Section 1.3 above, the Base Rent for the first year of the Extension Period will be greater of: (a) the immediately preceding Monthly Base Rent or (b) 90% the fair market rent for the Premises, determined as provided in this Section. The parties will use commercially reasonable efforts, for a period of thirty (30) days after Landlord's receipt of the Option Notice, to agree on the Base Rent for the Extension Period by looking at fair market rental rates of other similar marijuana-related warehouses in Providence, Rhode Island for the ensuing Extension Period. If the parties are unable to agree on the Base Rent for the Extension Period within thirty (30) days after Landlord's receipt of the Option Notice, the Base Rent will be determined by a qualified, independent MAI real property appraiser with at least five (5) years of experience who is familiar with marijuana-related commercial rental values in the Providence area. The appraiser will

be chosen by Tenant from a list of not fewer than three (3) such persons not affiliated with Landlord or with whom Landlord has a pre-existing personal or business relationship submitted by Landlord within five (5) days of receipt thereof. If Tenant does not select an appraiser within five (5) days after submission of the list, Landlord will make the selection and the selection will be binding on Tenant. If Landlord fails to submit a list within ten (10) days after written request therefor from Tenant, Tenant may submit to Landlord a list of not fewer than three such persons and Landlord shall then select one of the foregoing appraisers within five (5) days of receipt thereof. If Landlord does not select an appraiser within five (5) days after submission of the list, Tenant will make the selection and the selection will be binding on Landlord. Within thirty (30) days after the appraiser's appointment, the appraiser will provide a written report with the appraiser's determination of the Base Rent (fair market rent), which will be final and binding on both parties. The cost of the appraisal will be borne equally by the parties. After the first year of the Extension Period, Base Rent shall increase at the rate of three percent (3%) annually.

2.3 Operating Expenses. In addition to Base Rent, Tenant shall pay to Landlord the Operating Expenses incurred by Landlord in connection with the Property. The term "Operating Expenses" shall mean all expenses paid or incurred by Landlord or on Landlord's behalf, as reasonably determined by Landlord to be necessary or appropriate for the efficient operation, management, maintenance, and repair of the Property and the Building. Operating Expenses shall also include the cost of any capital improvement to the Property or Building, amortized with a reasonable finance charge over the shorter period of (i) its useful life or (ii) the longest period during which the cost can be amortized under applicable tax laws; provided, however, that such capital improvements shall include only roof, heating, air conditioning, and sprinkler systems, and those that are required by applicable building codes or laws, or those that Landlord reasonably believes will improve the operating efficiency of the Building or the Property. In the case that Landlord decides to make capital improvements to the Property or the Building, the Tenant shall be informed of such plans two calendar months prior to construction, and be permitted to hire a third-party contractor to bid on such capital improvements. The contract for such capital improvements shall be awarded to the contractor that submits the lowest bid. Tenant shall pay to Landlord an amount each month which is equal to 1/12 of the estimated Annual Operating Expenses, as provided in Section 2.5, below. Prior to execution of the lease, the Landlord shall furnish an expected annual Operating Expense projection, upon which the Landlord shall agree to not exceed this projection by more than twenty-five percent (25%). Landlord will take reasonable efforts to negotiate competitive rates for all services. Notwithstanding anything in this Lease to the contrary, operating expenses shall not include: (a) repairs and maintenance or other items paid by proceeds of insurance or proceeds of a warranty claim; (b) expenses in connection with services or other benefits of a type which Tenant is not entitled to receive under the Lease but which are provided to another tenant or occupant of the Building; (c) any costs associated with an audit of the Landlord's records that is performed at the request of or on behalf of a third party, including any other tenant or occupant of the Building; (d) any interest or payments on any mortgages or deeds of trust or rental on any ground or underlying lease, and penalties and charges incurred as a result of Landlord's late payment under such mortgages, deeds of trust or ground leases; (e) legal fees, leasing commissions, advertising, and marketing expenses and other such costs incurred in connection with the development, marketing, advertising, or leasing of the Building, including but not limited to expenses associated with maintaining a leasing office; (f) any allowances or credits provided to any tenant for rent, construction or renovation (including design and permitting) of tenant improvements, moving or similar purposes, and the costs of any construction or renovation (including design and permitting) of tenant improvements performed by Landlord for any tenant; (g) reserves for bad debts; (h) costs or expenses incurred as a result of disputes or negotiations with other tenants or occupants of the Building, including but not limited to attorneys' fees, any costs or expenses incurred in negotiating, amending, administering or terminating leases, any brokerage commissions, or construction or planning expenses; (i) penalties, fines, late fees, interest or similar charges incurred

due to violations by Landlord or any tenant (other than Tenant) of the Building of any laws, rules, regulations, or ordinances, including fines, interest and penalties incurred due to the late payment of taxes; (j) the cost of any environmental remediation, including, without limitation, any costs incurred to test, survey, cleanup, contain, abate, remove, or otherwise remedy hazardous wastes or asbestos-containing materials from the Building; (k) overhead and profit paid to subsidiaries or affiliates of Landlord for services on or to the Building, to the extent only that the costs of such services exceed competitive costs for such services were they not rendered by a subsidiary or affiliate; and (l) costs or expenses for correcting defects in the design or construction of the Building, including, without limitation, latent defects.

2.5 Property Taxes and Insurance. In addition to Base Rent, Tenant shall pay all real property taxes and assessments levied, assessed, or imposed during the Term upon the Property ("Taxes") and the costs of insurance provided by Landlord pursuant to Section 7 ("Insurance"). Tenant shall pay to Landlord an amount each month which is equal to one-twelfth of the estimated annual Taxes and Insurance together with Tenant's payment of Operating Expenses, as provided in Section 2.5 below. If, during the Term, the voters of the state in which the Premises are located or the state legislature enacts a real property tax limitation, then any substitute taxes, in any name or form, which may be adopted to replace or supplement real property taxes, shall be added to Taxes for purposes of this Section 2.4. Should there be in effect during the Term any law, statute, or ordinance which levies, assesses, or imposes any tax (other than federal or state income tax) upon rents, Tenant shall pay such taxes as may be attributable to the Rents under this Lease or shall reimburse Landlord for any such taxes paid by Landlord within ten days after Landlord bills Tenant for the same. Notwithstanding the foregoing, Tenant shall not pay any portion of real property taxes resulting from a reassessment of the Property following a sale of any interest in the property after one reassessment.

2.6 Payment of Operating Expenses, Taxes and Insurance. Landlord shall notify Tenant of Tenant's required estimated monthly payments of Operating Expenses, Taxes, and Insurance. Beginning on the Commencement Date, and continuing throughout the Term, Tenant shall make such monthly payments on or before the first day of each calendar month. Landlord may, from time to time, by written notice to Tenant, change the estimated monthly amount to be paid. No interest or earnings shall be payable by Landlord to Tenant on any amount paid under this Section, and Landlord may commingle such payments with other funds of Landlord. Landlord shall, within 90 days after the close of each calendar year or as soon thereafter as is practicable, deliver to Tenant a written statement setting forth the actual Operating Expenses, Taxes, and Insurance for the prior year together with a computation of the charge or credit to Tenant of any difference between the actual cost and the estimated cost paid by Tenant for such period; and any such difference shall be applied to amounts subsequently due from Tenant to Landlord, or if no such sums are or will be owed, then such sums shall be paid or reimbursed, as applicable, within ten days after Landlord gives Tenant notice thereof. If Tenant has any objections to the annual statement made by Landlord, such objections shall be made in writing given to Landlord within 30 days after the statement is submitted to Tenant. If no objection is made within such time period, the annual statement shall be conclusive and binding on Tenant. If Tenant desires to review any of Landlord's records pertaining to Operating Expenses, Taxes, or Insurance, Tenant may do so after reasonable prior notice given to Landlord, but no more often than once during any calendar year. Such review shall take place where such records are kept, and shall be conducted by a certified public accountant chosen by Tenant subject to Landlord's prior written approval, which shall not be unreasonably withheld. Tenant shall pay all costs of such review including without limitation reimbursement for time incurred by Landlord's representatives and photocopy charges.

2.7 Late Charge. If Rent is not paid within ten (10) days after the date such Rent is due, Tenant shall pay to Landlord, in addition to Rent then due, a late charge equal to five percent (5%) of Rent then due (the "Late Charge"). Tenant agrees that late payment by Tenant to Landlord of any

Rent or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, that the exact amount of such costs is extremely difficult and impracticable to ascertain, and that the Late Charge is not a penalty but represents a fair and reasonable estimate of the costs that Landlord will incur by reason of any such late payment.

2.8 Security Deposit. Concurrently with the execution of this Lease by Landlord and Tenant, Tenant will deliver to Landlord the sum of \$7,5000.00 as a security deposit (the "Security Deposit"). Landlord may apply the Security Deposit to pay the cost of performing any obligation that Tenant fails to perform within the time required by this Lease, but such application by Landlord will not waive Landlord's other remedies nor be the exclusive remedy for Tenant's default. If Landlord applies the Security Deposit as set forth herein, Tenant will pay Landlord, on demand, all sums necessary to restore the Security Deposit to its original amount.

2.9 First Month's Rent. Tenant shall pay to Landlord its First Month's Rent in advance.

3. USE OF PREMISES.

3.1. Permitted Use. The Premises shall be used as a commercial cannabis facility as permitted by and in compliance with every current and future state, city and local rules, ordinances and regulations, as promulgated from time to time, and specifically allowing retail sales, delivery sales, cultivation, manufacturing, processing, packaging and wholesale sales of cannabis products and for all incidental purposes, and for any other purpose with Landlord's prior written consent, not to be unreasonably withheld (the "Permitted Use").

3.2. Restrictions On Use. In connection with the use of the Premises, Tenant shall (a) refrain from any use that would be reasonably offensive to owners or users of neighboring premises or that would tend to create a nuisance under then current applicable law; and (b) refrain from using the electrical system, sewer or plumbing beyond the point considered safe by a competent engineer or architect selected by Landlord. In addition, Tenant shall not, and shall take commercially reasonable steps to prohibit its employees, customers, agents or contractors from engaging in any activities on the Premises that promote or result in: (i) the distribution of marijuana to minors, (ii) the sale of marijuana to criminal enterprise gangs and cartels, (iii) the diversion of marijuana from the state of Rhode Island to any other state, (iv) use of the Premises as a cover or pretext for the trafficking of other illegal drugs or other illegal activity, (v) violence and the use of firearms in the cultivation and distribution of marijuana, (vi) drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use; (vii) the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands, and (viii) marijuana possession or use on federal property.

3.3. Compliance With Laws. Tenant will, at Tenant's expense, comply with all state, city and local rules, ordinances and regulations ("Laws") that, in respect of the use and occupancy of the Premises, including all "path of travel" requirements in the common areas of the Property, or the abatement of any nuisance in, on, or about the Premises, imposes any violation, order, or duty on Landlord or Tenant, including, without limitation, those arising from (a) Tenant's use of the Premises; (b) the manner of conduct of Tenant's business or operation of its installations, equipment, or other property therein; (c) any cause or condition created by or at the instance of Tenant; (d) any applicable fire-life safety requirements; or (e) the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et. seq.), as may be amended from time to time, unless attributable to an act or omission prior to delivery of the Premises to Tenant with Landlord's Work substantially completed.

3.4. Storage. Tenant shall not store any materials, supplies, or equipment outside in any unapproved or unscreened area. If Tenant erects any visual barriers for storage areas, Landlord shall

have the right to approve the design and location. Trash and garbage receptacles shall be kept covered at all times.

3.5. Signs. Tenant will not erect, install, nor permit on the Premises any sign or other advertising device without first having obtained Landlord's written consent, which consent shall not be unreasonably withheld. Signage shall be subject to all local and municipal ordinances. Tenant will remove all signs and sign hardware upon termination of this Lease and restore the sign location to its former state, unless Landlord, in its sole option, elects to retain all or any portion of the signage.

4. REPAIRS AND MAINTENANCE.

4.1. Landlord's Obligations. Landlord shall perform: (a) structural repairs and maintenance and repairs necessitated by structural disrepair or defects; (b) repair and maintenance of the exterior walls, roof, gutters, downspouts, slabs, and the foundation of the Building; (c) ordinary repair and maintenance of Building systems (such as mechanical, electrical, HVAC, and plumbing) other than as provided in Section 4.2, sidewalks, driveways, curbs, walkways, and parking areas (including keeping all such areas free and clear of snow, ice, debris and obstructions of every kind), and all lawns, shrubbery, landscaping and grounds; and (d) any repairs or maintenance to the extent necessitated by the breach of this Lease by Landlord, or the gross negligence or intentional misconduct of Landlord, or its agents. The cost of the repairs described in this Section 4.1 (excepting Section 4.1(d)), however, shall be recoverable by Landlord as Operating Expenses to the extent provided in Section 2.4.

4.2. Tenant's Obligations. Tenant shall, at Tenant's sole cost and expense, maintain and keep the Premises, and all fixtures, improvements now located or hereafter placed thereon, in good repair, operating condition and working order, and in clean appearance and condition. Tenant shall, at Tenant's sole cost and expense, perform and be responsible for all repairs, maintenance, alterations and replacements to the Premises, including, by way of illustration and without limiting the generality of the foregoing, the following: (a) repair and maintenance of the floors, ceilings, doors, and windows in the Premises, and related hardware, light fixtures, switches, and all wiring and plumbing within the Premises; (c) repair and maintenance of all utilities servicing the Premises, including without limitation water, electrical, sewage, gas, fuel, heat, telephone, and cable/internet, from the point of entry to the Premises; (d) repair and maintenance of all fixtures and appliances, and all systems (such as mechanical, electrical, HVAC, and plumbing) exclusively serving the Premises;; (e) the replacement of all broken or cracked glass in the building of quality equal to that existing at the commencement of this Lease; and (g) repairs and alterations required under Tenant's obligation to comply with all laws and regulations as set forth in Section 3.3.

4.3 Reimbursement for Repairs Assumed. If Tenant fails or refuses to make repairs that are required to be made by Tenant under Section 4.2, Landlord may at its option make the repairs and charge the actual costs of repairs to Tenant. Such expenditures by Landlord shall be reimbursed by Tenant on demand together with interest at the legal rate from the date of expenditure by Landlord. Except in an emergency creating an immediate risk of personal injury or property damage, Landlord shall not perform repairs that are the obligation of Tenant and charge the Tenant for the resulting costs unless Landlord first provides written notice to Tenant outlining with reasonable particularity the repairs required at least thirty (30) days before work is commenced, and Tenant fails to complete such repairs within such thirty (30) day notice period.

5. ALTERATIONS.

5.1. Alterations Prohibited Without Landlord's Consent. Tenant shall make no alterations, additions, changes or improvements on or to the Premises of any kind without first obtaining Landlord's written consent, which shall not be unreasonably withheld.

5.2. Alterations With Landlord's Consent. In the event Tenant desires to alter, change or further improve any portion of the Premises, Tenant shall first obtain Landlord's written consent before proceeding to do or permit any work or to order any services or materials with respect to such work and Landlord may, in connection therewith, require Tenant to submit complete final plans, specifications, site plans, drawings, schedules, and cost estimates for the proposed alteration, change or improvement to Landlord for approval. As a condition of granting consent, among other conditions, Landlord may require Tenant to provide a construction and completion bond or other security in an amount and of a nature satisfactory to Landlord to cover the proposed costs of construction of the proposed alterations, changes or improvements. If Landlord consents in writing to any proposed alteration, change or improvement to the Premises, Tenant will (i) contract only with a licensed contractor for the performance of the alterations, changes and improvements, (ii) obtain all necessary governmental permits and approvals and deliver copies thereof to Landlord, and (iii) cause all alterations, changes and improvements to be completed in compliance with Landlord-approved plans and specifications, and in compliance with all applicable state and local laws and building codes, with all due diligence in a good and workmanlike manner, lien-free. No approval by Landlord shall be deemed a representation or warranty of Landlord that the approved items or conduct are otherwise lawful, safe, or appropriate, or relieve Tenant from strict compliance with all other provisions of this Lease and all applicable law.

5.3. Ownership and Removal of Alterations. Except for trade fixtures and except as otherwise agreed in a writing between the parties, all alterations, changes and improvements made or installed on the Premises by Tenant shall become part of the Premises and the property of Landlord, with the title vested in Landlord, when installed. Alterations, changes and improvements made or installed by Tenant shall, at Landlord's option, be removed by Tenant upon expiration or earlier termination of this Lease and the Premises restored to good condition and repair, unless the applicable Landlord's consent specifically provides otherwise.

5.4. No Liens. Tenant agrees to pay, when due, all sums for labor, services, materials, supplies, utilities, furnishings, machinery, or equipment that have been provided or ordered with Tenant's consent to the Premises, and to keep the Premises free from any liens. Landlord shall have the right to post and keep posted on the Premises any notices which it deems necessary for protection from such liens. If any lien is filed against the Premises that Tenant wishes to protest, then Tenant will immediately notify Landlord of the basis for its protest and must deposit cash with Landlord, or procure a bond acceptable to Landlord, in an amount sufficient to cover the cost of removing the lien from the Premises. Failure to remove the lien or furnish the cash or a bond acceptable to Landlord within ten (10) days will constitute an Event of Default under this Lease. If Tenant fails to discharge any lien, Landlord may at its option do so and collect the cost as Additional Rent. Any amount so added as Additional Rent shall bear interest at the legal rate from the date expended by Landlord and shall be payable on demand. Such action by Landlord shall not constitute a waiver of any right or remedy which Landlord may have on account of Tenant's default.

6. RELEASE AND INDEMNITY.

6.1. Release. As material consideration to Landlord, Tenant agrees that Landlord shall not be liable to Tenant for any damage to Tenant or Tenant's property from any cause except to the extent such damage is a direct result of a grossly negligent or intentional act by Landlord.

6.2. Tenant Indemnity. Tenant agrees to defend, indemnify, and hold harmless Landlord, and Landlord's shareholders, members, managers, directors, officers, employees and agents, from and against any and all actual or alleged claims, damages, expenses, costs, fees (including but not limited to attorney, accountant, paralegal, expert, and escrow fees), fines, liabilities, losses, penalties, proceedings, and/or suits (collectively "Costs") that may be imposed on or claimed against Landlord, in whole or in part, directly or indirectly, arising from or in any way connected with: (a) any act or omission on the Premises by Tenant or its Representatives; (b) any use, occupation, management, or control of the Premises by Tenant, whether or not due to Tenant's own act or omission; (c) any condition created in or about the Premises by Tenant or its Representatives, including any accident, injury, or damage occurring on or about the Premises during this Lease as a result of Tenant's use thereof or (d) any breach of this Lease by Tenant.

6.3. Landlord Indemnity. Landlord agrees to defend, indemnify, and hold harmless Tenant, and Tenant's shareholders, members, managers, directors, officers, employees and agents, from and against any and all actual or alleged Costs that may be imposed on or claimed against Tenant, in whole or in part, directly or indirectly, arising from or in any way connected with: (a) any breach of this Lease by Landlord; or (b) the gross negligence or intentional misconduct of Landlord or its Representatives.

"Representatives" of a party, includes all of such party's partners, officers, directors, shareholders, members, managers, agents, employees, invitees, and contractors. The obligations of Tenant under Section 6 survive the termination of this Lease.

The obligations under Section 6 survive the termination of this Lease.

7. TENANT'S INSURANCE REQUIREMENTS.

7.1. Insurance Amounts. The insurance requirements set forth in this Section 7 do not in any way limit the amount or scope of liability of Tenant under this Lease. The amounts listed indicate only the minimum amounts of insurance coverage that Landlord is willing to accept to help ensure full performance of all terms and conditions of this Lease. All insurance required of Tenant by this Lease must meet all the minimum requirements set forth in this Section 7.

7.2. Certificates; Notice of Cancellation. On or before the commencement of this Lease, Tenant will provide Landlord with certificates of insurance establishing the existence of all insurance policies required under this Lease. Thereafter, Landlord must receive notice of the expiration or renewal of any policy at least thirty (30) days before the expiration or cancellation of any insurance policy. No insurance policy may be canceled, revised, terminated, or allowed to lapse without at least thirty (30) days prior written notice to Landlord. All insurance required under this Lease must be maintained without any lapse in coverage continuously for the duration of this Lease and during Tenant's occupancy of the Premises. Cancellation of insurance without Landlord's consent will be deemed an immediate Event of Default under this Lease. .

7.3. Additional Insureds. Landlord and Landlord's mortgagees will each be named additional insured in each required insurance policy and, for purposes of damage to the Premises, as loss payees. The insurance will not be invalidated by any act, neglect, or breach of contract by Tenant. On or before the commencement of this Lease, Tenant must provide Landlord with a policy endorsement naming Landlord and Landlord's mortgagees as additional insureds as required by this Lease.

7.4. Primary Coverage and Deductible. The required insurance policies will provide that the coverage is primary, and will not seek any contribution from any insurance or self-insurance

carried by Landlord. The required insurance policies must cover the risks and include only prudent deductible amounts as reasonably determined by Landlord from time to time. All policies of insurance must be issued by insurers with a Best's rating no less than B+ and are authorized to do business in the State of Rhode Island and must be in a form reasonably satisfactory from time to time to Landlord.

7.5. Required Insurance. At all times during this Lease, Tenant will, at its sole cost and expense, in addition to such insurance that may be required by Landlord's mortgagee, provide and maintain the following types of coverage:

7.5.1 Commercial General Liability Insurance. Tenant will maintain a commercial general liability policy, on an occurrence basis (including coverage for broad form contractual liability and any personal injury liability) for the protection of Tenant, and insuring Tenant and Landlord and Landlord's mortgagees, against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the Premises or occasioned by reason of the operations or actions of Tenant. All such coverage must name Landlord and Landlord's mortgagees additional insureds. All such coverage must be in an amount not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage for all coverage specified herein.

7.5.2 Umbrella Policy. Tenant will also maintain an umbrella commercial general liability policy, on an occurrence basis (including coverage for broad form contractual liability, sudden and accidental spill coverage on land and water, and any personal injury liability) for the protection of Tenant, and insuring Tenant and Landlord and Landlord's mortgagees, against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the Premises or occasioned by reason of the operations or actions of Tenant. All such coverage must name Landlord and Landlord's mortgagees additional insureds. All such coverage must be in an amount not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage for all coverage specified herein.

7.5.3 Personal Property Insurance. Tenant will be responsible to insure all of Tenant's own personal property, improvements, betterments and trade fixtures, which items will not be covered by Landlord's insurance and for which Landlord and its insurance carriers will have no liability. Tenant will maintain (a) special form type property insurance coverage on all Tenant's furnishings, leasehold improvements, fixtures, inventory, and equipment located on the Premises, covering full (100%) replacement value, and (b) insurance on all plate glass on the Premises, covering replacement cost. The proceeds of such insurance, as long as this Lease remains in effect, will be used to repair or replace the leasehold improvements, fixtures, inventory, equipment, and plate glass so insured.

7.5.4 Vehicle Liability Insurance. Tenant will maintain an occurrence form of commercial vehicle liability policy insuring Tenant and Landlord against liability for damage because of bodily injury, death, or damage to property, including loss of use thereof, and occurring or in any way related to the use, loading, or unloading of Tenant's owned, hired, and non-owned vehicles on and around the Premises. Coverage must be in an amount of not less than \$1,000,000 combined single limit per occurrence.

7.5.5 Workers' Compensation Insurance. Tenant agrees to keep and maintain, and to cause Tenant's agents, contractors, and subcontractors to keep and maintain, workers' compensation insurance and other forms of insurance as may from time to time be required by law or may otherwise be necessary to protect Landlord and the Premises from claims of any person who may at any time work on the Premises, whether as a servant, agent, or employee of Tenant or otherwise. Such insurance must be maintained at the expense of Tenant or Tenant's agents, contractors or subcontractors and not at the expense of Landlord.

7.6. Waiver of Subrogation. Each property insurance policy obtained by each party that covers or applies to the Premises, fixtures, or equipment located in or on the Premises, must include an appropriate clause or endorsement that waives the insurance company's rights to make any subrogation claim and that permits the insured, before any loss, to agree with the other party to this Lease to waive any claim it might have against the other party without invalidating the coverage under the insurance policy. The waiver of subrogation and permission for waiver of any claim must extend to the parties and their respective agents and employees. Each party releases the other and its agents and employees in respect of any claim (including a claim for negligence) that it might otherwise have against the other party or its agents or employees for loss, damage, or other casualty (including rental value or business interest, as the case may be) occurring during the term of this Lease and normally covered under a special form property insurance policy in the form normally used in respect of similar property in Providence, Rhode Island.

8. LANDLORD'S INSURANCE.

8.1 Property Damage Insurance. Landlord will obtain and keep in force a policy or policies of insurance in the name of Landlord, with loss payable to Landlord and to any lender insuring loss or damage to the building shells and Landlord-owned improvements located on the Premises. The amount of the insurance shall be equal to the full insurable replacement cost of Landlord-owned improvements as determined by Landlord in its sole discretion, excluding Tenant's improvements, as the same will exist from time to time. Tenant-owned or installed improvements, alterations, utility installations, trade fixtures, and personal property will all be insured by Tenant as provided in Section 7.5.3 above. All insurance proceeds payable under Landlord's property insurance shall be payable solely to Landlord and Tenant shall have no interest therein. Tenant shall reimburse Landlord for all premiums and other charges incurred by Landlord in purchasing and maintaining the insurance required under this Section 8.1, which shall be paid to Landlord pursuant to Section 2.5, above.

9. TAXES; UTILITIES.

9.1. Real Estate Taxes. Tenant shall pay Real Estate Taxes as delineated in Section 2.5, above. "Real Estate Taxes" shall include real property taxes and assessments of any kind related to the Property and the Building, ad valorem taxes, special assessments for prior periods due to change in land use, general and special assessments, parking surcharges, any tax or excise on rents, any tax or charge for governmental services (such as street maintenance or police and fire protection), and any tax or charge which replaces any of such above-described Real Estate Taxes and any state or federal tax or charge which replaces or is substituted for or is levied, in whole or in part, in lieu of any of such above-described Real Estate Taxes; provided, however, that Real Estate Taxes shall not be deemed to include any franchise, estate, inheritance or general income tax, except for any state or federal tax or charge which replaces or is substituted for or is levied, in whole or in part, in lieu of any of such above-described Real Estate Taxes, regardless of the form which such taxes may take, whether in the form of real estate taxes or otherwise.

9.2. Personal Property and Other Taxes. Tenant shall pay as due all taxes and assessments (real and personal) levied, imposed on any trade fixtures, furnishings, machinery,

equipment and other personal property placed by Tenant in or about the Premises and furnish Landlord with satisfactory evidence that such taxes have been paid. Tenant shall also pay as due any and all taxes and assessments levied or imposed on marijuana or other products produced by Tenant.

9.3. Contest of Taxes. Tenant shall be permitted to contest the amount of any tax or assessment as long as such contest is conducted in a manner that does not cause any risk that Landlord's interest in the Premises will be foreclosed for nonpayment. Landlord shall cooperate in any reasonable manner with such contest by Tenant.

9.4. Utilities. Tenant shall pay when due all charges for services and utilities incurred in connection with the use, occupancy, operation, and maintenance of the Premises, including but not limited to charges for fuel, water, storm water, gas, heat, electricity, sewage disposal, power, refrigeration, air conditioning, telephone, and janitorial services, together with any taxes thereon. Landlord will not be responsible for any interruption of any utility or other services provided to the Premises caused by fire or other casualty, weather, vandalism, the making or repairs or improvements on the Premises or adjacent premises or any other cause. Landlord shall have the right but not obligation to install sub meters for some or all of the metered utilities. Upon receipt of a sub meter invoice, Tenant will pay the invoiced amount to Landlord.

10. ENVIRONMENTAL OBLIGATIONS OF TENANT.

10.1. Definitions. The term "Environmental Law" shall mean any federal, state or local statute, regulation or ordinance or any judicial or other governmental order pertaining to the protection of health, safety or the environment. The term "Hazardous Substance" shall mean any hazardous, toxic, infectious or radioactive substance, waste and material as defined or listed by any Environmental Law and shall include, without limitation, petroleum oil and its fractions.

10.2. Use of Hazardous Substances. Tenant shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of or otherwise released on or under the Premises. Tenant may use, store and sell on the Premises only those Hazardous Substances typically used, stored and sold in the prudent and safe operation of the business permitted by Section 3.1 of this Lease, which shall include, but not be limited to the use of Butane, Butane enriched cannabis and Butane enriched waste material, but in all events in accordance with applicable Laws. Tenant may store such Hazardous Substance on the Premises, but only in quantities necessary to satisfy Tenant's reasonably anticipated needs. Tenant shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling and storage of Hazardous Substances and shall take all practicable measures to minimize the quantity and toxicity of Hazardous Substances use, handled or stored on the Premises.

10.3. Notices. Tenant shall immediately notify Landlord upon becoming aware of the following: (a) any spill, leak, disposal or other release of a Hazardous Substance on, under or adjacent to the Premises; (b) any notice or communication from a governmental agency or any other person relating to any Hazardous Substance on, under or adjacent to the Premises; or (c) any violation of any Environmental Law with respect to the Premises or Tenant's activities on or in connection with the Premises.

10.4. Spills and Releases. In the event of a spill, leak, disposal or other release of a Hazardous Substance on or under the Premises caused by Tenant or any of its contractors, agents or employees or invitees, or the suspicion or threat of the same or if Landlord reasonably determines that there are Hazardous Substances present at the Premises in violation of any applicable Law, Tenant shall (i) immediately undertake all emergency response necessary to contain, cleanup and remove the released Hazardous Substance, (ii) promptly undertake all investigatory, remedial, removal and other

response action necessary or appropriate to ensure that any Hazardous Substance contamination is eliminated to Landlord's reasonable satisfaction and in accordance with all applicable Laws, and (iii) provide Landlord copies of all correspondence with any governmental agency regarding the release (or threatened or suspected release) or the response action, a detailed report documenting all such response action, and a certification that any contamination has been eliminated. All such response action shall be performed, all such reports shall be prepared and all such certifications shall be made by an environmental consultant reasonably acceptable to Landlord. Tenant's obligations hereunder shall survive the termination of this Lease.

10.5. Condition Upon Termination. Upon expiration of this Lease or sooner termination of this lease for any reason, Tenant shall remove all Hazardous Substances and facilities used for the storage or handling of Hazardous Substances from the Premises and restore the affected areas by repairing any damage caused by the installation, or removal of the facilities. Following such removal, Tenant shall certify in writing to Landlord that all such removal is complete.

10.6. Assignment and Subletting. Notwithstanding the provisions of Section 13 of this Lease, it shall not be unreasonable for Landlord to withhold its consent to any assignment, sublease or other transfer of the Tenant's interest in this lease if a proposed transfer's anticipated use of the Premises involves the generation, storage, use, sale, treatment, release or disposal of any Hazardous Substance in violation of applicable law.

10.7. Indemnity. Tenant shall indemnify, defend and hold harmless Landlord, and Landlord's shareholders, members, managers, directors, officers, employees and agents and any persons holding a security interest in the Premises, and the respective successors and assigns of each of them from and against any and all claims, demands, liabilities, damages, fines, losses, costs (including without limitation the cost of any investigation, remedial, removal or other response action required by Environmental Law) and expenses (including without limitation attorneys' fees and expert fees in connection with any trial, appeal, petition for review or administrative proceeding) arising out of or in any way relating to the use, treatment, storage, generation, transport, release, leak, spill, disposal or other handling of Hazardous Substances on the Premises by Tenant or any of its contractors, agent or employees or invitees or Tenant's failure to remediate any Hazardous Substances as required under this Lease. Tenant's obligations under this section shall survive the expiration or termination of this Lease for any reason. Landlord's rights under this section are in addition to and not in lieu of any other rights or remedies to which Landlord may be entitled under this Lease or otherwise.

11. TENANT'S DEFAULT.

11.1. Events of Default. Each of the following shall constitute an "Event of Default" by Tenant under this Lease:

11.1.1 Payment Default. Failure of Tenant to pay any Rent, or other amount, due under this Lease within five (5) days after receiving written notice from Landlord that it is due; provided, however, that Landlord shall not be required to provide such notice more than two (2) times in any twelve (12) month period. Thereafter, failure to pay Rent by the due date will be deemed an automatic Event of Default for which no additional notice or cure period need be granted.

11.1.2 Unauthorized Transfer. Tenant makes any transfer of Tenant's interest in this Lease, including any assignment or subletting of it, without Landlord's prior written consent as required by Section 13.1.

11.1.3 Default In Other Terms or Covenants. Failure of Tenant to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of Rent or other amounts due under this Lease) within thirty (30) days after written notice by Landlord specifying the nature of the default with reasonable particularity (except in the case of an emergency, in which event Landlord shall only be required to give such notice as is reasonable under the circumstances). If the default is of such a nature that it cannot be completely remedied within the thirty (30) day period, Tenant will be in compliance with this provision if Tenant begins correction of the default within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable, but in no event later than ninety (90) days after the date of Landlord's notice of default.

11.1.4 Insolvency Defaults. (a) Dissolution, termination of existence, insolvency on a balance-sheet basis, or business failure of Tenant; (b) Tenant's commencement of a voluntary case under the federal bankruptcy laws or under any other federal or state law relating to insolvency or debtor's relief; (c) the entry of a decree or order for relief against Tenant in an involuntary case under the federal bankruptcy laws or under any other applicable federal or state law relating to insolvency or debtor's relief; (d) the appointment of or the consent by Tenant to the appointment of a receiver, trustee, or custodian of Tenant or of any of Tenant's property; (e) an assignment for the benefit of creditors by Tenant; (f) Tenant's failure generally to pay its debts as they become due; (g) Tenant's making or suffering a fraudulent transfer under applicable federal or state law; (h) Tenant's concealment of any of its property in fraud of creditors; or (i) the imposition of a lien through legal proceedings or distraint upon any of the property of Tenant which is not discharged or bonded within a reasonable period of time..

11.2. Remedies On Default. Upon any Event of Default, Landlord may exercise any one or more of the following remedies, or any other remedy available under applicable law:

11.2.1 Right To Terminate Lease. If an Event of Default occurs, Landlord, at Landlord's sole option, may terminate this Lease by written notice to Tenant. If the Premises are abandoned by Tenant in connection with a default, termination may be automatic and without notice, at Landlord's sole option.

11.2.2 Termination and Damages. If this Lease is terminated, Landlord will be entitled to recover promptly, without waiting until the due date, any past due Rent together with future Rent that would otherwise become due and owing up to and through the date fixed for expiration of the Term; any damages suffered by Landlord as a result of the Event of Default, including without limitation all obligations of Tenant; and the reasonable costs of reentry and reletting the Premises, including without limitation, the cost of any cleanup, refurbishing, removal of Tenant's personal property (including fixtures), or any other expense occasioned by Tenant's failure to quit the Premises upon termination and to leave them in the condition required at the expiration of this Lease, any remodeling costs, attorney fees, court costs, broker commissions, and advertising costs. Landlord will make reasonable efforts to mitigate damages, including any mitigation required by California law at the time of termination.

11.2.3 Reentry After Termination. If the Lease is terminated or abandoned for any reason, Tenant's liability for damages will survive the termination, and the rights and obligations of the parties shall include the following:

(a) Tenant will vacate the Premises immediately, remove any personal property of Tenant, including any fixtures that Tenant is required to remove at the end of the Term, perform any cleanup, alterations, or other work required to leave the Premises in the condition required at the end of the term, and deliver all keys to Landlord.

(b) Landlord may reenter, take possession of the Premises, and remove any persons or personal property by legal action or by self-help with the use of reasonable force and without liability for damages.

11.2.4 Reletting. Following termination, reentry, or abandonment, Landlord may relet the Premises and in that connection may, at Tenant's sole cost:

(a) Make any suitable alterations or refurbish the Premises, or both, or change the character or use of the Premises, but Landlord will not be required to relet for any use or purpose (other than that specified in the Lease) that Landlord may reasonably consider injurious to the Premises, or to any tenant that Landlord may reasonably consider objectionable.

(b) Relet all or part of the Premises, alone or in conjunction with other properties, for a term longer or shorter than the Term, on any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

11.2.5 Continuation after Default. If an Event of Default exists under this Lease, Landlord shall also have the remedy described in California Civil Code Section 1951.4 (Landlord may continue this Lease in effect after Tenant has breached this Lease and recover rent as it becomes due; provided, however that Tenant shall have the right to sublet or assign this Lease, subject to the provisions of this Lease). Acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon initiative of Landlord to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession.

11.2.7 Equitable Relief. Landlord may seek injunctive relief or an order of specific performance from any court of competent jurisdiction requiring that Tenant perform its obligations under this Lease.

11.3. No Waiver of Default. No failure by Landlord to insist on the strict performance of any agreement, term, covenant, or condition of this Lease or to exercise any right or remedy consequent upon a breach, and no acceptance of partial Rent during the continuance of any such breach, will constitute a waiver of the breach or of the agreement, term, covenant, or condition. No agreement, term, covenant, or condition to be performed or complied with by Tenant, and no breach by Tenant, will be waived, altered, or modified except by a written instrument executed by Landlord. No waiver of any breach will affect or alter this Lease, but each and every agreement, term, covenant, and condition of this Lease will continue in full force and effect with respect to any other then-existing or subsequent breach.

11.4. Termination, Surrender and Abandonment. No act or conduct of Landlord, including, without limitation, efforts to re-let the Premises, an action in unlawful detainer or service of notice upon Tenant or surrender of possession by Tenant pursuant to such notice or action, shall extinguish the liability of Tenant to pay rent or other sums due hereunder or terminate this Lease, unless Landlord notifies Tenant in writing of Landlord's election to terminate this Lease. No act or

conduct of Landlord, including the acceptance of the keys to the Premises, other than a written acknowledgment of acceptance of surrender signed by Landlord, shall be deemed to be or constitute an acceptance of the surrender of the Premises by Tenant prior to the expiration of the Lease term. The surrender of this Lease by Tenant, voluntarily or otherwise, shall, at Landlord's option, operate as an assignment to Landlord of any and all existing assignments and subleases, or Landlord may elect to terminate any or all of such assignments and subleases by notifying the assignees and sublessees of its election within fifteen (15) days after such surrender.

11.5 Remedies Cumulative and Nonexclusive. Each right and remedy of Landlord contained in this Lease will be cumulative and will be in addition to every other right or remedy in this Lease, or existing at law or in equity, including without limitation suits for injunctive relief and specific performance. The exercise or beginning of the exercise by Landlord of any such rights or remedies will not preclude the simultaneous or later exercise by Landlord of any other such rights or remedies. All such rights and remedies are nonexclusive.

11.6 Curing Tenant's Default. If Tenant fails to perform any of Tenant's obligations under this Lease, Landlord, without waiving the failure, may (but will not be obligated to) perform the same for the account of and at the expense of Tenant (using Tenant's Security Deposit or Landlord's own funds, when required), after the expiration of any applicable cure period set forth in Section 11.1 or sooner, in the case of an emergency. Landlord will not be liable to Tenant for any claim for damages resulting from such action by Landlord. Tenant agrees to reimburse Landlord, upon demand, for any amounts Landlord spends in curing Tenant's Default. Any sums to be so reimbursed will bear interest at the legal rate from the date of expenditure by Landlord.

12. LANDLORD'S DEFAULT.

12.1. Notice of Breach. Landlord will not be deemed in breach of this Lease unless Landlord fails within a reasonable time to perform an obligation required to be performed by Landlord. For purposes of this Section 12.1, a reasonable time will in no event be less than thirty (30) days after receipt by Landlord, and any lender whose name and address have been furnished Tenant in writing for such purpose, of written notice specifying what obligation of Landlord has not been performed; provided, however, a Landlord Event of Default will not occur if Landlord's performance is commenced within the thirty-day period and thereafter diligently pursued to completion.

12.2. No Self-Help. In the event that neither Landlord nor any lender of Landlord cures any breach within the applicable cure period, Tenant will be entitled to seek any of the remedies provided in Section 12.3, but will not be entitled to take self-help action except as may otherwise be provided in this Agreement.

12.3. Remedies In the Event of a Landlord Default. If an uncured Event of Default is committed by Landlord, Tenant will be entitled to any remedies available at law or in equity for breach of lease; however, damages will be limited to actual damages, excluding consequential and punitive damages and damages will also be limited to Landlord's interest in the Property.

13. ASSIGNMENT AND ESTOPPELS.

13.1. Prohibition on Transfers. Tenant shall not transfer, assign, sublease, mortgage, pledge, hypothecate or encumber the Premises, or Tenant's leasehold estate, or sublet any portion of the Premises, or license the use of any portion thereof, or otherwise transfer any interest in the Premises or Tenant (whether voluntary, involuntary, by operation of law or otherwise), without the prior written consent of Landlord in each instance, which consent may not be unreasonably withheld, delayed, or

conditioned. This Prohibition on subletting shall not apply to Tenant's officers, shareholders, directors, members, affiliates, principles, subsidiaries, or any other related entity or party.

13.2. Involuntary Assignment in Bankruptcy. If this Lease is assigned to any person or entity pursuant to the provisions of the Bankruptcy Code, 11 U.S.C. Section 101, et seq. (the "Bankruptcy Code") any and all moneys or other consideration payable or otherwise to be delivered to Landlord shall be and remain the exclusive property of Landlord and shall not constitute property of the Tenant or of the estate of Tenant within the meaning of the Bankruptcy Code. Any and all moneys or other considerations constituting Landlord's property shall be held in trust for the benefit of Landlord and be promptly paid or delivered to Landlord. Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code, shall be deemed without further act or deed to assume all of the obligations arising under this Lease. Any such assignee shall upon demand execute and deliver to Landlord an instrument confirming such assumption.

13.3. Effect of Violation. Any attempted transfer in violation of the requirements of this Section 13 shall be null and void and, at the option of Landlord, will cause termination of this Lease.

13.4. Effect of Consent. Consent by Landlord to one transfer shall not constitute a consent to any further transfer. In the absence of an express written agreement executed by Landlord releasing Tenant, no transfer by Tenant shall act as a release of Tenant or any personal guarantor of this Lease, who shall remain primarily liable under this Lease, and any subsequent amendment of this Lease or forbearance by Landlord shall not release the Tenant or any personal guarantor from such liability.

13.5. Estoppel Certificate. Tenant agrees to execute and deliver to Landlord, at any time and within ten (10) days after written request, a statement certifying, among other things, to the extent true at such time: (a) that this Lease is unmodified and is in full force and effect (or if there have been modifications, stating the modifications); (b) the dates to which Rent has been paid; (c) whether the Landlord is in default in performance of any of its obligations under this Lease and, if so, specifying the nature of each such default; and (d) whether any event has occurred that, with the giving of notice, the passage of time, or both, would constitute a default and, if so, specifying the nature of each such event. Tenant will also include any other information concerning this Lease as is reasonably requested by Landlord. Tenant agrees that any statement delivered under this Section will be deemed a representation and warranty by Tenant that may be relied on by Landlord and by its potential or actual purchasers and lenders, regardless of independent investigation. If Tenant fails to provide the statement within ten (10) days after the written request therefor without good faith objection, then Tenant will be deemed to have given the statement as presented and will be deemed to have admitted the accuracy of any information contained in the request for the statement and may, at Landlord's sole election, be an immediate Event of Default if Tenant fails to deliver any such Estoppel Certificate within five (5) days after written notice from Landlord that Tenant has failed to deliver such Estoppel Certificate as required hereunder.

14. CONDEMNATION. If the Premises or any interest therein is taken as a result of the exercise of the right of eminent domain or under threat thereof (a "Taking"), this Lease will terminate as to the portion that may be taken. If Tenant determines that the Taking renders the Premises unsuitable for Tenant's use, then Tenant may terminate this Lease by giving thirty (30) days' prior written notice to the other party, and the termination will be effective on the date possession of the Premises is delivered to the condemning authority. Any and all awards payable by the condemning authority in connection with a taking will be the sole property of Landlord; provided, however, nothing contained herein will prevent Tenant from prosecuting a separate claim for the value of its interest, as long as that award does not diminish the award that Landlord would otherwise be entitled to as a result of the Taking.

15. DAMAGE OR DESTRUCTION. In the event of partial or full damage or destruction to the Premises, the following will apply:

15.1. Definitions. "Premises Partial Damage" shall herein mean damage or destruction to the Premises to the extent that the cost of repair is less than fifty percent (50%) of the then replacement cost of the Premises. "Premises Total Destruction" shall herein mean damage or destruction to the Premises to the extent that the cost of repair is fifty percent (50%) or more of the then replacement cost of the Premises. "Insured Loss" shall herein mean damage or destruction which was caused by an event required to be covered by the insurance described in Section 7 above.

15.2. Partial Damage - Insured Loss. Subject to the provisions of Sections 15.5 and 15.6, if at any time during the term of this Lease there is damage which is an Insured Loss and which falls into the classification of Premises Partial Damage, then Landlord shall, at Landlord's expense, repair such damage, but not Tenant's fixtures, equipment or Tenant improvements, as soon as reasonably possible and this Lease shall continue in full force and effect. Notwithstanding the above, if the insurance proceeds received by Landlord are not sufficient to affect such repair, Landlord will have no obligation to pay for the shortage in insurance proceeds or to fully repair the damage and restore the Premises, unless Tenant provides Landlord with the funds to cover the same within twenty (20) days following receipt of written notice of the shortage and request therefor. If Landlord receives the funds within such twenty (20) day period, Landlord will complete the repairs as soon as reasonably possible and this Lease shall remain in full force and effect. If the funds are not received within such twenty (20) day period, Landlord may nevertheless elect by written notice to Tenant within ten (10) days thereafter, to: (i) make such restoration and repair as is commercially reasonable with Landlord paying any shortage in proceeds, in which case this Lease will remain in full force and effect, or (ii) have this Lease terminate thirty (30) days thereafter. Tenant shall in no event have any right to reimbursement for any amounts contributed by Tenant to repair any such damage. Tenant shall be responsible to make any repairs to any of its own improvements, fixtures or equipment.

15.3. Partial Damage - Uninsured Loss. Subject to the provisions of Sections 15.5 and 15.6, if at any time during the term of this Lease there is damage which is not an Insured Loss and which falls within the classification of Premises Partial Damage, unless caused by a negligent or willful act of Tenant (in which event Tenant shall make the repairs at Tenant's expense), Landlord may at Landlord's option either (i) repair such damage as soon as reasonably possible at Landlord's expense, in which event this Lease shall continue in full force and effect, or (ii) give written notice to Tenant within thirty (30) days after the date of determination that such damage is not an Insured Loss of Landlord's intention to cancel and terminate this Lease. Tenant shall have the right within ten (10) days after the receipt of such notice to give written notice to Landlord of Tenant's intention to repair such damage at Tenant's expense, without reimbursement from Landlord, in which event this Lease shall continue in full force and effect, and Tenant shall pay for the cost of all such repairs. If Tenant does not give such notice within such ten (10) day period this Lease shall be cancelled and terminated as of the date of the occurrence of such damage.

15.4. Total Destruction. If at any time during the term of this Lease there is damage, whether or not an Insured Loss (including destruction required by any authorized public authority), which falls into the classification of Premises Total Destruction, this Lease shall automatically terminate as of the date of such total destruction, unless such damage is caused by Tenant or Tenant's use of the Premises. In such event, Tenant shall pay all costs necessary to repair the Premises to the condition existing immediately preceding such damage.

15.5. Damage Near End of Term. If at any time during the last six (6) months of the term of this Lease there is damage, resulting in not Insured Loss, in excess of One Hundred Thousand Dollars (\$100,000), which otherwise falls within the classification of Premises Partial Damage,

Landlord may, at Landlord's option, elect to cancel and terminate this Lease by giving written notice to Tenant within thirty (30) days after the date of occurrence of such damage.

15.6. Abatement of Rent. In the event of damage described in Sections 15.2 or 15.3, and Landlord or Tenant repairs or restores the Premises pursuant to the provisions of this Section 15, the rent payable hereunder for the period during which such damage, repair or restoration continues shall be abated in proportion to the degree to which Tenant's use of the Premises is impaired, except that there shall be no rent abatement where the damage occurred as a result of the fault of Tenant. Except for abatement of rent, if any, Tenant shall have no claim against Landlord for any damage suffered by reason of any such damage, destruction, repair or restoration.

15.7. Waiver. Landlord and Tenant waive the provisions of any statutes which relate to termination of leases when leased property is destroyed and agree that such event shall be governed by the terms of this Lease.

16. SURRENDER AT EXPIRATION.

16.1. Condition of Premises. Upon expiration of the term of this Lease or earlier termination on account of default, Tenant shall deliver all keys to Landlord and surrender the Premises in commercially reasonable condition, considering normal wear and tear arising from the starting condition of the Premises and the duration of the lease period, and broom clean. All repairs for which Tenant is responsible shall be completed prior to surrender. Prior to expiration of the Term of this Lease, or within 10 days of other termination of this Lease, Tenant shall remove all furnishings, furniture, and equipment that remain its personal property. If Tenant fails to do so, this shall be an abandonment of the property, and Landlord may retain the property as provided by applicable law. Tenant shall be liable to Landlord for any cost of removal, transportation to storage, and storage, with interest at the legal rate on all such expenses from the date of expenditure by Landlord.

16.2. Fixtures. All fixtures placed upon the Premises during the Term of this Lease, except Tenant's trade fixtures or any other fixtures agreed by the parties to be removed at expiration or termination of the Lease at the time of or prior to placement, shall, at Landlord's option, become the property of Landlord. If Landlord so elects, Tenant shall remove any or all fixtures that would otherwise remain the property of Landlord, and shall repair any physical damage resulting from the removal. If Tenant fails to remove such fixtures, Landlord may do so and charge the cost to Tenant with interest at the legal rate from the date of expenditure by Landlord.

16.3. Holdover. Tenant has no holdover rights. If Tenant does not vacate the Premises at the time required, Landlord shall have the option to treat Tenant as a tenant from month to month, subject to all of the provisions of this Lease, except the provisions for term and at a rental rate equal to one hundred fifty percent (150%) of the rent last paid by Tenant during the original term, or to eject Tenant from the Premises and recover damages caused by wrongful holdover. Failure of Tenant to remove fixtures, furniture, furnishings, equipment and other personal property that Tenant is required to remove under this Lease shall constitute a failure to vacate to which this Section shall apply if the property not removed will substantially interfere with occupancy of the Premises by another tenant or with occupancy by Landlord for any purpose including preparation for a new tenant.

17. SUBORDINATION, NOTICE TO SUPERIOR LESSORS AND MORTGAGEES.

17.1. Subordination. Any mortgage, deed of trust, or ground lease to which this Lease is, at the time referred to, subject and subordinate is called a "Superior Mortgage," and the holder of a Superior Mortgage, or its successor in interest, at the time referred to, is called a "Superior Mortgagee." This Lease, and all rights of Tenant, will be subject and subordinate to all mortgages that may now or

hereafter affect the Premises, whether or not the mortgages also cover other lands and buildings, to each and every advance under such mortgages, and to all renewals, modifications, replacements, and extensions of such mortgages. This Section is self-operative, and no further instrument of subordination will be required. In confirmation of the subordination, Tenant will promptly execute, acknowledge, and deliver any instrument that Landlord or any Superior Mortgagee may reasonably request to evidence the subordination.

17.2. Notice. If any act or omission of Landlord would give Tenant the right, immediately or after lapse of a period of time, to cancel or terminate this Lease, or to claim a partial or total eviction, Tenant will not exercise the right: (i) until it has given written notice of the act or omission to Landlord and each Superior Mortgagee whose name and address previously has been furnished to Tenant; and (ii) until a reasonable period of time for the parties to cure the condition has passed, which, in any event shall not be less than sixty (60) days after receipt of such notice by each Superior Mortgagee.

17.3. Attornment. For the purposes of this Section, the term "Successor Landlord" means the Superior Mortgagee if the same succeeds to the rights of Landlord under this Lease, whether through possession or foreclosure action or delivery of a new lease or deed, or any third party that succeeds to the rights of Landlord under this Lease by virtue of having purchased the Premises at a foreclosure sale. The Successor Landlord will accept Tenant's attornment, assume Landlord's obligations under the Lease, and will agree in writing not to disturb Tenant's quiet possession of the Premises. Tenant will attorn to and recognize the Successor Landlord as Tenant's Landlord under this Lease, and Tenant and the Successor Landlord will promptly execute and deliver an instrument reasonably acceptable to the parties to evidence the attornment and non-disturbance. Upon the attornment, this Lease will continue in full force and effect as a direct lease between the Successor Landlord and Tenant on all of the terms, conditions, and covenants as are set forth in this Lease.

18. LICENSING PROVISIONS

18.1. Termination Right. In the event that Tenant is unable to obtain applicable state or local licensing necessary to utilize the Premises for its permitted use ("Applicable Licensing"), Tenant loses Applicable Licensing (other than for reason of nonpayment of applicable costs or fees), or any partial revocation or limitation is placed on Tenant regarding the Applicable Licensing resulting in a substantial impairment of the use of the Premises for its permitted use, then Tenant shall be permitted to terminate this Lease on thirty (30) days written notice to Landlord without liability of any kind to Landlord excepting to pay to Landlord all Rent (and other costs and expenses) then due and owing for time periods on and prior to the effective date of termination as well as the unamortized cost of Landlord's Work (amortized over the initial Term).

18.2. Licensure Suspension or Revocation. Notwithstanding anything in this Lease to the contrary, in the event of any suspension, revocation, or other like action taken with respect to the Applicable Licensing of Tenant, Tenant shall not be in breach of this Lease for violation of applicable law merely by possession of the Premises, or merely by maintaining in the Premises is inventory, materials, products, or trade fixtures unless Tenant has not removed the same from the Premises within ten (10) days after a final nonappealable decision has been rendered regarding such suspension, revocation, or other like action.

19. GENERAL PROVISIONS.

19.1. Covenants, Conditions, Restrictions and Laws. This Lease is subject and subordinate to the effect of any covenants, conditions, restrictions, easements, loans, mortgages, deeds of trust, ground leases, rights of way, and any other matters of record now or hereafter imposed on the Premises and to all zoning and building laws and regulations and all other state and local laws, statutes,

codes, ordinances, rules, regulations and other governmental requirements now in effect or becoming effective after the date this Lease is executed. Tenant will, upon request of Landlord, execute and deliver agreements of subordination in the form reasonably requested by Landlord and described in Section 17.

19.2. Time of Essence. Time is of the essence in the performance of all covenants and conditions to be kept and performed under the terms of this Lease.

19.3. No Implied Warranty. In no event will any consent, approval, acquiescence, or authorization by Landlord be deemed a warranty, representation, or covenant by Landlord that the matter approved, consented to, acquiesced in, or authorized is appropriate, suitable, practical, safe, or in compliance with any applicable law or this Lease. Tenant will be solely responsible for such matters and Landlord will have no liability therefor.

19.4. Survival. Any covenant or condition (including, but not limited to, environmental obligations and all indemnification agreements) set forth in this Lease, the full performance of which is not specifically required before the expiration or earlier termination of this Lease, and any covenant or condition that by its terms is to survive, will survive the expiration or earlier termination of this Lease and will remain fully enforceable thereafter.

19.5. Limitation on Liability. The obligations under this Lease do not constitute any personal obligation of Landlord or any of its owners, shareholders, officers, directors, or employees, and Tenant has no recourse against any of them. Landlord's liability under this Lease is strictly limited to whatever interest it holds in the Premises.

19.6. Brokers. Tenant and Landlord each represent to one another that they have not dealt with any leasing agent or broker in connection with this Lease.

19.7. Interpretation of Lease; Status of Parties. This Lease is the result of arm's-length negotiations between Landlord and Tenant and will not be construed against Landlord by reason of its preparation of this Lease document. Nothing contained in this Lease will be deemed or construed as creating the relationship of principal and agent, partners, joint venturers, or any other similar relationship, between the parties hereto.

19.8. No Recordation of Lease. This Lease will not be recorded without the written consent of Landlord, which consent will not be unreasonably withheld.

19.9. Capacity to Execute; Mutual Representations. Landlord and Tenant each warrant and represent to one another that this Lease constitutes a legal, valid, and binding obligation of that party. Without limiting the generality of the foregoing, each party represents that its governing board has authorized the execution, delivery, and performance of this Lease by it. The individuals executing this Lease each warrant that they have full authority to execute this Lease on behalf of the entity for whom they purport to be acting.

19.10. Nonwaiver. Waiver by either party of strict performance of any provision of this Lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision. No waiver shall be binding unless executed in writing by the party making the waiver.

19.11. Attorney Fees. In the event this Lease is referred to an attorney for collection of any sums due hereunder, or to enforce any other obligation of Tenant, Tenant agrees to pay Landlord's reasonable attorney fees even though no suit or action is filed thereon. In the event any suit, action,

or other legal proceeding is instituted to construe, interpret or enforce the terms of this Lease (including any bankruptcy, insolvency or similar proceeding affecting creditor's rights generally), the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorney fees at trial or on appeal of such suit or action, and on petition for review and for collection of any judgment, in addition to all other sums provided by law.

19.12. Notices. Any notice or other communication required or permitted under this Lease shall be in writing and shall be effective and deemed received the following business day when sent by a recognized overnight delivery service, upon the date of transmission when sent by facsimile or e-mail (electronically confirmed), on the third business day after the date of mailing when mailed by certified mail, postage prepaid, return receipt requested, from within the United States, or on the date of actual delivery, whichever is the earliest, and shall be sent to the parties at the addresses shown on the first page of this Lease, or at such other address as either party may hereafter designate by written notice to the other.

19.13. Successors. The rights, liabilities, and remedies provided in this Lease will extend to the heirs, legal representatives, and, as far as the terms of this Lease permit, successors and assigns of the parties. The words "Landlord," "Tenant," and other accompanying verbs or pronouns, whenever used in the Lease, apply equally to all persons, firms, or corporations that may be or become parties to this Lease.

19.14. Entire Agreement. This document (including any Exhibits attached hereto) is the entire, final and complete agreement of the parties related to the subject matter hereof and supersedes and replaces all written and oral agreements heretofore made or existing by and between the parties or their representatives with respect to such subject matter. Tenant hereby acknowledges that neither Landlord, nor any of Landlord's employees or agents, has made any oral or written warranties or representations to Tenant relative to the condition or use by Tenant of the Premises.

19.15. No Partnership. Landlord is not by virtue of this Lease a partner or joint venturer with Tenant in connection with the business carried on under this Lease and shall have no obligation with respect to Tenant's debts and other liabilities.

19.16. Landlord's Access To Premises. Landlord and its respective agents shall have the right to enter the Premises for the purposes of: (a) confirming the performance by Tenant of all obligations under this Lease, (b) doing any other act that Landlord may be obligated or have the right to perform under this Lease, (c) showing the Premises to any prospective tenant or purchaser, and (d) for any other lawful purpose. Such entry will be made only on twenty-four (24) hours prior notice and during normal business hours, when practical, except in cases of emergency, in which case Landlord will not be obligated to provide twenty-four (24) hours' notice of entry and may enter during non-business hours. Tenant waives any claim against Landlord for damages for any injury or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, or any other loss occasioned by the entry, except to the extent caused by the gross negligence or willful misconduct of Landlord. Tenant will provide Landlord with keys to all gates and doors in, on, or about the Premises, and Landlord will have the right to use any and all means that Landlord may deem reasonable to open the gates and doors in an emergency to obtain entry to the Premises. Landlord shall have the right at any time to place and maintain on the Premises notice for selling or leasing the Premises.

19.17. Proration of Rent. In the event of commencement or termination of this Lease at a time other than the beginning or end of one of the specified rental periods, then the rent shall be prorated as of the date of commencement or termination.

19.18. Severability. In the event any provision or portion of this Lease is held to be unenforceable or invalid by any court of competent jurisdiction, the remainder of this Lease shall remain in full force and effect and shall in no way be affected or invalidated thereby.

19.19. Amendment. No amendment or modification of this Lease shall be valid unless in writing and signed by duly authorized representatives of both parties.

19.20. Quiet Enjoyment. Landlord warrants that it is the owner of the Premises and will defend Tenant's right to quiet enjoyment of the Premises from the lawful claims of all persons during the Term.

19.21. Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original instrument and all of which together shall constitute a single agreement.

19.22 NNN. Tenant acknowledges and agrees that this Lease is intended to be a "NET NET NET" lease and Tenant shall pay all expenses associated with maintaining and operating the Premises during the term of this Lease, including, without limitation, real estate taxes, utilities, maintenance costs, repair costs, and any insurance premiums. Under no circumstances or conditions, whether now existing or hereafter arising, or whether within or beyond the present contemplation of the parties, shall the Landlord or its successor or assigns be expected or required to make any payment of any kind whatsoever, or be under any other obligation or liability hereunder, except as herein otherwise specifically set forth.

19.23 OFAC Compliance.

19.23.1 Tenant represents and warrants that (a) Tenant and each person or entity owning an interest in Tenant is (i) not currently identified on the Specially Designated Nationals and blocked Persons Listed maintained by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation (collectively, the "List"), and (ii) not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States, (b) none of the funds or other assets of Tenant constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person (as hereinafter defined), (c) no Embargoed Person has any interest of any nature whatsoever in Tenant (whether directly or indirectly) and (d) Tenant has implemented procedures, and will consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times. The term "**Embargoed Person**" means any person, entity or government subject to trade restrictions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C.A. § 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder with the result that the investment in Tenant is prohibited by law or Tenant is in violation of law.

19.23.2 Tenant covenants and agrees (a) to comply with all requirements of law relating to anti-terrorism, trade embargos economic sanctions, now or hereafter in effect, (b) to immediately notify Landlord in writing if any of the representations, warranties or covenants set forth in this Section 18.23 are no longer true or have been breached or if Tenant has a reasonable basis to believe that they may no longer be true or have been breached, (c) not to use funds from any "Prohibited Person" (as such term is defined in the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support

Terrorism) to make any payment due to Landlord under the Lease and (d) at the request of Landlord, to provide such information as may be requested by Landlord to determine Tenant's compliance with the terms hereof.

19.23.3 Tenant hereby acknowledges and agrees that Tenant's inclusion on the List at any time prior to the expiration or earlier termination of the Lease shall be a material default of the Lease, and the Lease shall automatically terminate. Notwithstanding anything to the contrary, Tenant shall not permit the Premises or any portion thereof to be used or occupied by any person or entity on the List or by any Embargoed Person (on a permanent, temporary or transient basis), and any such use or occupancy of the Premises by any such person or entity shall be a material default of the Lease.

19.24 Energy and Environmental Initiatives. Tenant shall fully cooperate with Landlord in any programs in which Landlord may elect to participate relating to the Premises' (i) energy efficiency, management, and conservation; (ii) water conservation and management; (iii) environmental standards and efficiency; (iv) recycling and reduction programs; and/or (v) safety, which participation may include, without limitation, the Leadership in Energy and Environmental Design (LEED) program and related Green Building Rating System promoted by the U.S. Green Building Council. All carbon tax credits and similar credits, offsets and deductions are the sole and exclusive property of Landlord.

19.25 Governing Law. This Lease shall be governed by the laws of the State of California applicable to transactions to be performed wholly therein. If suit is initiated against any party hereto for any cause or matter arising from or in connection with any rights or obligations of the parties under this Lease, the sole jurisdiction and venue for such action shall be the Superior Court of the State of California for the County in which the Premises is located.

19.26 Due to the sensitive nature of the Permitted Use, the Parties shall hold in strict confidence all documents and information learned from one another in connection with this Agreement and the Permitted Use. No public disclosure, either written or oral, of the existence or terms of this Agreement shall be made by either party without the written consent of the other. The foregoing provision shall not, however, be construed to prohibit any party from making any disclosures to any governmental authority that they are required to make by law or to prohibit any party from disclosing to their accountants, consultants, investors, attorneys and other parties involved with this Agreement.

[SIGNATURES TO FOLLOW ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Lease to be executed in duplicate on the day and year first above written.

LANDLORD:

THOMAS A. COLOGNA

Thomas Cologna
THOMAS A. COLOGNA

TENANT:

MWG HOLDINGS LLC, a California limited liability company

By: David Spradlin
Name: David Spradlin
Title: CEO



MWG
HOLDINGS GROUP, INC.

1610 ARDEN WAY SUITE 101
SACRAMENTO, CA 95815
916-905-4906

Memo to File

MWG Holdings, LLC converted to MWG Holdings Group, Inc. on March 4, 2019.

Annex G - Equipment

Investments in Equipment Technology and Facilities.

We are committed to making the Perfect Union RI location a success through substantial investment in all aspects of the facility. We have selected a location that fits all of our needs and have budgeted for a complete buildout of the facility that will provide compliant and compassionate service and provide the community access to clean, locally sourced cannabis and cannabis products. We will accomplish this while continuing to give back to the community. The following section detail our planned investments to buildout the facility.

Facilities.

Perfect Union RI's location is fully compliant with state and local regulations and provides a comfortable and clean environment for patients to purchase our products. Perfect Union RI also has ample space for secure product storage for the business.

Technology.

As a cannabis business operator for over 10 years, we are well aware of the equipment and technology that must be purchased for the business. We will invest in BioTrack, a point of sale system that has proven reliable to track and monitor the sale of cannabis and cannabis products for the compassion We will also invest in security features to provide the highest level of security to our facility.

Equipment.

Across the entire facility we will focus on the safety of our patients and employees by investing in the latest security equipment. In the retail portion of the facility, we will invest in custom, high-quality furnishings and display cases. We will also ensure that the technology hardware and software are able to ensure flawless operation of our point of sale software.

*Below is our construction budget

Perfect Union – RI Construction Budget

Perfect Union RI Construction Budget

REAL ESTATE AND ADMINISTRATIVE EXPENSES

Purchase of Building	\$
Construction	\$
Build-Out of Space	\$
Utility Deposits	\$
Legal and Accounting Fees	\$
Insurance	\$
Pre-Opening Salaries and Benefits	\$

TOTAL	\$
-------	----

CAPITAL EQUIPMENT LIST

Furniture	\$
Equipment (Computers, POS, etc.)	\$
Fixtures	\$

TOTAL	\$
-------	----

OTHER EXPENSES

Reserve for Contingencies	\$
---------------------------	----

TOTAL	\$
-------	----

GRAND TOTAL	\$
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Annex H - Annual Compensation & Remuneration

Board of Directors

Name:

Payor:

Annual Remuneration:

Richard M. McAuliffe Jr.

Perfect Union – RI

██████████

Jeff Michael Taylor

Perfect Union – RI

██████████

Robert Grillo

Perfect Union – RI

*see table below

Top Annual Compensation for Perfect Union – RI Staff

<i>Role</i>	<i># of Emp</i>	<i>Salary Per Hire</i>	<i>Payroll Cost</i>	<i>Benefits</i>	<i>Total Expense</i>
General Manager	1	\$			
Compassion Staff	15	\$			
Inventory Manager	1	\$			
Security Guards	2	\$			
Finance Associate	1	\$			
BOD - Chief Executive Officer	1	\$			
BOD - Chief Operating Officer	1	\$			
BOD - Treasurer	1	\$			

*Expected Payroll for Year 1 of Operation

OSCC, LLC - Cultivation and Quality Control Management Contract

Annual Management Fees:

11/11/2016

Loan Repayment

Member:

MWG Holdings Group, Inc.

[REDACTED]

Sacramento, CA. 95815

Loan Repayment Plan:

Quarterly payments of [REDACTED] will be made starting in October of 2021, lasting two years.

CC Form 5 - Business License Identification Form

Attached hereto as CC Form 5 is Perfect Union's Business License Identification Form.
Applicant hereby state(s) as follows:

With respect to Perfect Union – RI and any Owner or Interest Holders described in Form 2, Section I, such persons have either applied for or are currently or have been previously licensed, registered or authorized to produce or otherwise deal in the manufacture or distribution of marijuana in any form, in the below states or jurisdictions and corresponding agency or authority.

a. Perfect Union - RI

None.

b. OSCC, LLC

State & Name of Agency	Type of License	Name of Licensee	License/Registration #
Rhode Island DBR	Cultivation	OSCC, LLC	MMP CV 0004 Class B

c. MWG Holdings Group, Inc. currently manages the following licenses:

State & Name of Agency	Type of License	Name of Licensee	License/Registration #
California BCC	Retail	River City Phoenix	C10-0000199-LIC
California BCC	Retail	Hugs Alternative Care	C10-0000254-LIC
California BCC	Retail	RCP Marysville	C10-0000324-LIC
California BCC	Retail	PHSL LLC	C10-0000425-LIC
California BCC	Retail	F.F.A., Inc.	C10-0000204-LIC
California BCC	Retail	Perfect Union Turlock	C10-0000748-LIC
California BCC	Retail	Perfect Union Morro Bay	C10-0000749-LIC
California BCC	Retail	Ascension LLC	C10-0000025-LIC
California BCC	Cultivation	Fireworx Farms Sacramento	CCL19-0001533
California BCC	Cultivation	Fireworx Farms Nursery	CCL20-0000036
California BCC	Distribution	Metta Distribution and Transportation	C11-0000090

State & Name of Agency	Type of License	Name of Licensee	License/Registration #
New Mexico DOH	Non-Profit Retail	Natural Rx	80003
New Mexico DOH	Non-Profit Retail	Natural Rx	80027
New Mexico DOH	Non-Profit Retail	Natural Rx	4004
New Mexico DOH	Non-Profit Retail	Natural Rx	34
New Mexico DOH	Non-Profit Retail	Natural Rx	35
New Mexico DOH	Non-Profit Retail	Natural Rx	80037
New Mexico DOH	Non-Profit Retail	Natural Rx	32

Perfect Union - RI has disclosed and provided any and all denial, suspension, revocation, fines or other sanction of the license, registration, or authorization listed above as instructed in CC Form 3.

Perfect Union - RI hereby authorizes: (1) the Rhode Island Department of Business Regulation to contact the agencies indicated above for information regarding Applicant and the licenses/registrations listed above; and (2) such other state agencies to provide any and all information requested by the Department regarding the licenses/registrations. If requested by the Department, Perfect Union - RI will provide any additional authorization required by any of the state agencies in order to provide information requested by the Department.

The undersigned hereby acknowledges and agrees that Perfect Union – RI has a continuing obligation to disclose any changes and shall provide written notice to the Department within thirty (30) days of any change of the information provided and the statements made in this Form 5 and that each such notice shall include an updated Form 5.


 Signature of Authorized Signatory

12/9/2020
 Click here to enter a date.
 Date

Rick M. McAuliffe
 Printed Name
 Print Title: President/CEO
 Print Name of Applicant/Licensee: Perfect Union - RI

CC Exhibit A – Disclosure of Material Financial Interests/Divestiture Plan

Attached hereto as CC Exhibit A is Perfect Union's Disclosure of Material Financial Interests and Divestiture Plan for a Compassion Center. All information is complete and in compliance with §§ 1.2(C)(4)(i) and 1.2(F)(7) of the Regulations. The disclosure and plan will demonstrate Perfect Union's understanding of, and ability to, comply with the requirements under the Act and Regulations.

a) Disclosure of material financial interests

OSCC, LLC has financial interest in Perfect Union – RI by way of a loan which provides [REDACTED] for the compassion center. MWG Holdings Group, Inc. has financial interest through OSCC, LLC in Perfect Union – RI as the [REDACTED] and member of OSCC, LLC.

b) Divestiture plan

In accordance with §1.2(F)(7) of the Regulations, the loan from OSCC, LLC and "Cultivation and Quality Control Management Agreement" is designed specifically to [REDACTED] [REDACTED] management and professional expertise in medical marijuana and non-profit operations.

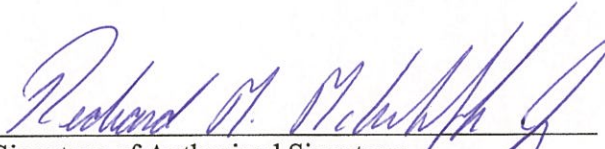
CC Exhibit B – Compliance Plan

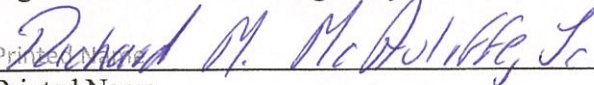
Attach hereto as CC Exhibit B evidence of appointment of a Compliance Officer for the proposed Compassion Center including Applicant's legal and operational compliance plan in accordance with § 1.2(C)(4)(l) of the Regulations.

The compliance plan must include, without limitation, a written description of Applicant's policies, procedures, and plan with regard to patient privacy, sales to out-of-state patients, procedures for access to restricted areas, affiliations with local patient and community organizations, employee/workplace drug use policies/procedures, compliance testing policies/procedures, and Applicant's proposed policies/procedures/mechanisms to ensure compliance with prohibited financial interests and, if applicable, the additional requirements for establishing and maintaining its nonprofit status.

The plan and materials must demonstrate Applicant's understanding of and ability to comply with the requirements under the Act and the Regulations.


[ATTACH AND SIGN BELOW]


Signature of Authorized Signatory


Printed Name

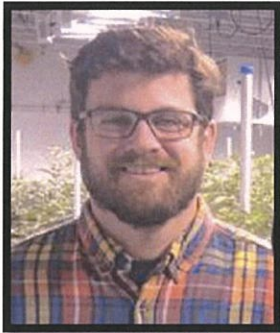
Print Title:

Print Name of Applicant/Licensee:


Click here to enter a date.
Date

CC Exhibit B – Compliance Plan

Perfect Union RI's Compliance Officer



The compliance officer appointed for Perfect Union RI's Compassion Center is Robert Grillo. Robert began cultivating CBD rich hemp during the crop season of 2016. Since then he has cultivated hemp in three states and acquired multiple state licenses. Robert has extensive experience navigating the Rhode Island Department of Business Regulations. He has operated a compliant cultivation, Ocean State Cultivation Center (OSCC) located in Warwick Rhode Island, since April 2017. Robert currently manages all operations at Ocean State Cultivation Center, an 8,000 square foot cultivation and processing facility, where they supply two of the major compassion centers with both SKU's and wholesale products. During this time Robert has been successfully operating a Co2 laboratory

and managing the cultivation operations and sales. To date, Robert has regulated cannabis industry experience in Massachusetts, Rhode Island, Maine, Colorado, Connecticut, and Ohio.

Perfect Union RI's Compliance Experience through MWG Holdings Group Inc.

It is a pleasure to present Perfect Union RI's compliance plan for a Compassion Center in the State of Rhode Island. The Perfect Union- RI team includes "OSCC, LLC" who has been hired as the Cultivation and Quality Control Manager. "OSCC, LLC" is Owned by "MWG Holdings Group Inc." MWG Holdings Group Inc. is one of the most sought-after and experienced cannabis operators in the state of California, with extensive experience in compliance. MWG Holdings Group Inc. has over a decade of experience managing cannabis businesses, navigating state and local laws and regulations, and supporting causes that add value to the community. Their leadership and ongoing commitment to the industry make them a uniquely qualified partner. The principals of MWG Holdings Group Inc. are pioneers in the cannabis industry and have several decades of combined experience. This ensures that Perfect Union RI and its associates are highly trained and effective managers, operating in full compliance with all applicable laws. MWG Holdings Group Inc. have invested a significant amount of time and energy into transforming the cannabis industry from a virtually unregulated market into the respected and legal growth opportunity that it is today, with a focus on giving back to the community.

A written description of policies, procedures, and plan with regard to patient privacy

Patient Privacy Protections. Patient Privacy is of the utmost importance at Perfect Union RI. Upon becoming a patient or caregiver at Perfect Union RI, a patient or caregiver will submit valid government-issued Identification and a valid Rhode Island Medical Marijuana Identification (ID) Card or other approved patient documentation from another state. In addition, they will fill out a Patient Information Form, a Patient Agreement, a HIPAA Privacy Authorization Form and initial the Perfect Union RI Rules of Conduct. These records will be scanned into the BioTrack point of

Sale System, attached to the patient or caregiver's profile; and hard copies will be stored in a patient file. Each patient will have their own on-site file, so that should the electronic system fail, we will experience little interruption to patient services. All patient records will only be accessible by approved staff with the proper security clearance. Each time a patient returns to the compassion center and checks-in their patient profile will pop-up and the staff will be able to view or print these documents if needed. They will be verified and added to the patient queue so that the service staff can easily access their information and record their activity for that day. As records are updated, these records will also be added to the patient profile and patient file. All staff will have a strict confidentiality agreement that makes them aware and committed to protecting patient privacy at all cost. Private patient information will only be made available for inspection if proper protocol and documentation allows for it. Perfect Union RI will go to great lengths to keep detailed patient records to better serve the patient and enable the organization to audit patient transaction histories when necessary.

HIPAA Compliance. Perfect Union RI will require all medical patients sign a *HIPAA Privacy Authorization* that protects their medical information from misuse. HIPAA is the Health Insurance Portability and Accountability Act of 1996, which sets national standards for the security of electronic protected health information; the confidentiality provisions of the Patient Safety Rule protects identifiable information being used to analyze patient safety events and improve patient safety.

Confidentiality Training. Confidentiality training will teach each employee how to collect, handle and store patient records so that records are not accessible by other members of the team, or unauthorized users, unless needed. The Director of Operations will explain the proper way to ask patients sensitive questions about their health and condition, how to take notes during patient conversations and when notes are prohibited, how to update patient records during the patient intake process so records are protected within our secure software system, and how to properly dispose of records so that sensitive material is shredded and inaccessible. We understand that many of our employees may join our company from other professions where confidentiality may not have been a concern or job requirement. As such, we will require each member of our team to participate in extensive training so that we may hold our entire team accountable while ensuring the safekeeping of patient files. Our training is outlined below:

Perfect Union RI Patient Confidentiality Training

Training Name	Training Length and Frequency	Summary of Training
Protecting Patient Confidentiality	4 Hours Twice Annually	Confidentiality training will focus on the critical nature of maintaining patient confidentiality and privacy whenever interacting with patients and discussing their medical information. This will also cover the importance of adhering to all confidentiality protocols for information security when collecting confidential patient information.
Patient Verification	3 Hours Twice Annually	Access to a cannabis facility is restricted to the licensees, employees of the licensee, and registered qualifying patients and registered primary caregivers with valid registry cards. This training will ensure that employees understand how to properly verify a patient's registry card before permitting the patient to enter the dispensary, as well as ensuring the employee maintains confidentiality of the patient's information during the check-in process.
Qualifying Medical Conditions	4 Hours Twice Annually, or any time new conditions are added	This training provides a comprehensive overview of the qualifying medical conditions, symptoms experienced by patients diagnosed with each condition, and how to make medical recommendations, accordingly. Protecting patient privacy while discussing medical conditions will also be covered.
Patient Counseling	4 Hours Twice Annually	Patients of Perfect Union RI will have the opportunity to meet one on one with an Perfect Union RI employee within a confidential patient consultation room within the dispensary to discuss their treatment options. During this training, employees will utilize content from the qualifying condition training to align therapeutic properties of cannabis and products to symptoms that may be treated with a particular strain or product. Employees will be trained to assist patients with their selection, in lieu of providing medical advice and to provide and explain educational materials, should a patient have health inquiries. This training will ensure that employees gain necessary skills for providing optimal patient care.

Regulatory Compliance	3 Hours Twice Annually	This training will cover the state and local regulations pertaining to purchasing limits, patient confidentiality, and record keeping.
Patient Service	4 Hours Once Each Quarter	Perfect Union RI employees will be trained to provide comprehensive, effective service to patients. This training will also cover: legality and regulations governing cannabis; how to maintain a safe, secure dispensary environment; how to engage in meaningful patient interactions; and patient education.
Specialized Software	4 Hours Twice Annually or After Updates	Specialized Software training will train employees how to use the various software programs, including the state mandated track and trace systems and a Point of Sale (POS) system, in alignment with HIPAA regulations, allowing for seamless use of reporting documents.

Ensuring Compliance. During the operations of our compassion center, it may become necessary for employees to disclose confidential patient information to a caregiver or other authorized individual in accordance with regulations. Release of patient information will be limited to specific members of our team. When making disclosures of patient health information, designated employees will be trained to take steps to minimize the disclosure of non-pertinent health information unless the disclosure is being made to the government under the requirements of HIPAA. Upon completion of the trainings outlined above, Perfect Union RI employees will understand that the following would be inappropriate, unethical, and/or illegal regarding protecting patient confidentiality:

- Discussing or revealing patient information to anyone (e.g., friends, family, other patients, etc.);
- Removing any patient information from the dispensary for any purpose without explicit authorization.
- Discussing or revealing patient information to another employee unless the information must be shared pursuant to company policy or regulations.
- Obtaining access to patient information not directly necessary for performing job duties;
- Copying patient files or other patient information onto a personal computer or transmitting patient files via e-mail or another electronic medium without encryption;
- Sending patient information via e-mail or fax without explicit authorization.
- Copying patient files or other patient information onto a USB, CD, or other electronic medium, without explicit authorization for a specific purpose, except when conducting authorized computer backup on a scheduled basis; and
- Placing patient information on the internet or into any other publicly available forum without consent.

Any employee who is found to have violated our policies or state and federal regulations for protecting patient confidentiality will be subject to disciplinary action, up to, and including, termination. Perfect Union RI will hold all staff, as well as patients and service providers, to a high standard of conduct. For our employees, this means required education on community relations, business ethics and compliance, and respectful behavior. These trainings will be conducted alongside community leaders, industry professionals, and health, fire, and law enforcement personnel. All employees will be expected to adhere to our Company's code of conduct at all times. This will ensure that all employees maintain a professional and courteous demeanor both inside the facility and in the surrounding areas, as well as maintain up-to-date knowledge of laws and responsible cannabis use.

Privacy Policy. The purpose of Perfect Union RI's privacy notice is to inform our patients and business partners of their rights and how confidential information collected about them or their company is used and/or disclosed. Perfect Union RI will provide a written privacy notice to all associated affiliates and business partners as deemed appropriate and will make a good faith effort to obtain those parties' written and signed acknowledgement of those policies. The notice will also be posted in clear and prominent locations throughout the business space and online and hardcopies will be available on request. Whenever the privacy policy is revised, Perfect Union RI will inform all business affiliates and partners of any substantive changes and will make a good faith effort to obtain those parties' written and signed acknowledgement of those updates and changes.

Employee Access. Direct access to Perfect Union RI's confidential information will be granted only to the following persons:

- CEO
- External Auditors
- Designated Managers
- Official Legal Matters by Court Subpoena or State Requests

Those personnel authorized to access or disclose internal or external company information will be responsible for properly securing, storing, and transferring that information, as well as for securing and protecting any passwords, keys, or other methods for accessing that information. Furthermore, those personnel authorized to grant or revoke access to confidential information are responsible for following Perfect Union RI's procedures to ensure that access is appropriate assigned, modified as needed, and cancelled promptly when individuals leave the compassion center or transfer to other positions that do not require the handling of company records.

Employees are expected to ensure that they properly exit any confidential database upon leaving their workstations so that protected information is not left open on a computer screen where it can be viewed or accessed by unauthorized individuals. Employees are also expected not to disclose to other persons any item or process that is used to verify their authority to access or amend confidential information in Perfect Union RI's files, including but not limited to, any passwords, personal identification numbers, tokens, access cards, or electronic signatures. All employees are responsible for all activities occurring under their account, password, and/or electronic signature. Further, all such activities may be monitored to ensure compliance. Employees will not download, copy, or remove from Perfect Union RI's computers or files any

confidential information, except as necessary to perform their duties. Upon termination of employment at Perfect Union RI or upon termination of authorization to access protected records, employees will return any and all copies of business information or any company information housed on laptops, USB, or any other medium that are in that employee's possession or control

Disclosure of Confidential Information. It is forbidden to use or disclose any confidential patient information to any unauthorized entity without the written and signed consent of the patient or their authorized representative. In order to ensure that any patient consent is sufficiently informed, all disclosure consent agreements will contain: a specific description of the information to be disclosed and the purpose for such disclosure, the document(s) to be disclosed, an expiration date for the authorization, a Statement that the patient has the right to revoke their authorization in writing at any time, a Statement that any information disclosed to an outside entity may be subject to re-disclosure for resubmission of original disclosure, and a reference to the consent and privacy notices. Any information that is disclosed will be limited to the information requested by the outside entity.

When Perfect Union RI utilizes outside services that will receive and use confidential information for the purpose of performing those services, Perfect Union RI will always confirm that the requesting party is the correct business receiver of Perfect Union RI's confidential information. If the entity is not an "authorized receiver," it will be required to provide its request and a Statement of its need to know in writing, to obtain a business associate agreement with Perfect Union RI, and to obtain the final approval of the company's owner/authorized personnel before such information may be released.

Transmission of Confidential Information. Employees will not transmit any protected confidential information over the Internet, including e-mail, or other unsecured networks unless it has been encrypted and password protected, and the owner/authorized manager has approved the process used and/or the release of that information. Transmission of confidential information by fax may be permitted, subject to the following guidelines:

- All fax transmissions will include a cover sheet with a confidentiality notice and a Statement that such information is intended for use only by the intended recipient and thus the intended recipient is explicitly prohibited from disclosing the contents of the information to other parties.
- Confidential information will only be faxed when appropriate and necessary for immediate business or patient needs.
- Manual faxing will be limited to urgent transmittals only.

To safeguard Perfect Union RI's confidential information most effectively, it will be Perfect Union RI's policy that all information is presumed to be confidential until a final determination can be made by authorized personnel. Likewise, any uncertainty as to whether or how to disclose confidential information should be elevated to authorized personnel for a final determination.

Disciplinary Measures Concerning Confidential Information. Parties accepting or processing confidential information on behalf of Perfect Union RI will ensure that that any and all requirements related to the acceptance of that information are followed and distributed appropriately and securely. Any misuse of company information will be regarded with the utmost seriousness. Alleged violations of this policy will be investigated promptly and addressed in accordance with Perfect Union RI's disciplinary procedures, leading up to and including immediate termination.

In the event that this policy is violated by any employee, the employee will face disciplinary action(s), leading up to termination. If an employee believes that confidential information has been disclosed inappropriately, they will inform the general manager immediately. Procedures will be put in place to permit the submission of named or anonymous employee reporting. Any such information will be properly documented and investigated for accuracy without delay. In cases of severe violations, Perfect Union RI reserves the right to forgo typical disciplinary action processes and to recommend immediate termination, subject to final approval by the owner or other authorized personnel. Furthermore, anyone who violates Local, State, or Federal law will be held personally liable for such actions under the law as well as under Perfect Union RI's policies. Violations of this policy will be immediately reported to authorized personnel responsible for managing access to Perfect Union RI's systems, records, files, etc. and appropriate actions will be taken. Staff will adhere to a strict protocol of record keeping safety measures, including limitations on electronic communications while working, security access levels, and not allowing for electronic storage devices to be brought on the premises. Employees will agree to our confidentiality policies before being allowed to work at the compassion center. Using the compassion centers internet service for anything other than Perfect Union RI business will be prohibited and periodic audits of system histories will be done to ensure compliance.

A written description of sales to out-of-state patients.

Perfect Union RI understand that each state has its own rules and procedures for issuing medical cannabis identification cards. In Rhode Island, you must be a legal resident of this state to get a , however, we understand that non-residents can still purchase medical cannabis if they have a valid Medical Cannabis Identification Card or other approved patient documentation issued by another state. Perfect Union RI will accept out of state medical patients if they hold a medical recommendation or card that is verifiable with another state. Perfect Union RI will adhere to the bulletin issued by the Rhode Island Department of Business Regulation, Medical Marijuana Program. Perfect Union RI will follow the guidance provided regarding licensed compassion center sales of medical marijuana to out of state patient cardholders in accordance with Rhode Island General Laws § 21-28.6-1 et seq., as amended by P.L. 2018, Ch. 047, Article 14 and the Rules and Regulations Related to the Medical Marijuana Program Administered by the Department of Business Regulation 230-RICR-80-5-1.

Perfect Union RI will dispense and sell marijuana to out of state patient cardholders, and such sales will be deemed “permitted sales” under § 1.4C of the Regulations, provided marijuana is dispensed and sold in compliance with the all applicable Rhode Island’s Acts and the Regulations, including the following:

- Perfect Union RI will use reasonably good faith efforts to verify that each out of state patient cardholder possesses a current, valid registration card issued lawfully under the issuing state’s medical marijuana program. These good faith efforts shall include requiring presentation of the patient’s medical marijuana registration card (or equivalent document provided by the issuing state) and one other form of government issued photo identification. Copies of such cards shall be maintained for Perfect Union RI’s compassion center’s records.
- Perfect Union RI will require each out of state patient cardholder to complete an intake form (which form is acceptable to the Department) and inputs the intake information, including the home state card registration number (or if the home state registration number is not available, a unique identifier assigned by the compassion center), into the BioTrack tracking system.
- Perfect Union RI will track and keep logs of all transactions with each out of state patient cardholder in the tracking system by the issuing state’s patient card registration number and otherwise in the same manner as it uses to log and track transactions with Rhode Island resident patient cardholders.
- Perfect Union RI will maintain the same standards of confidentiality as to each out of state patient cardholder’s information as it does for information regarding Rhode Island patient cardholders.
- Perfect Union RI will provide each out of state patient cardholder a disclosure form (which form is acceptable to the Department) regarding requirements and prohibitions under the Act and Regulations that are applicable to dispensing and use of medical marijuana within the State of Rhode Island, including without limitation disclosures regarding marijuana

dispensing and possession limits, prohibition of taking marijuana and marijuana products across state lines and prohibition of smoking in public places.

- Perfect Union RI will provide training to compassion center employees, agents and volunteers regarding its policies and procedures for dispensing to and transactions with out of state patient cardholders.
- Perfect Union RI will keep all records regarding dispensing and transactions with out of state patient cardholders and applicable policies and procedures shall be maintained in compliance with and subject to inspection and review in accordance with the compassion center's records retention policies and the Regulations.

Procedures for access to restricted areas.

Restricted Area Access. Perfect Union RI will ensure that only our employees and other authorized individuals access the restricted areas of the compassion center. Authorized individuals include outside vendors, contractors, or other individuals conducting business that requires access to the restricted areas. Any individual who enters the restricted areas area and is not employed by Perfect Union RI will sign into our restricted area "visitor log" and be escorted by a Perfect Union RI employee at all times while within the restricted areas area. Perfect Union RI will maintain a record of all authorized individuals who are not employees of the licensee who enter the restricted areas. The written "visitor log" will have the name of the visitor, a photocopy of their government issued ID upon first visit, the company the individual works for, the reason the individual entered the restricted areas area, the date, and the times the individual entered and exited the restricted areas area and the name of the authorized escorting registry identification cardholder. These records will be made available to the Department of Business Regulation (DBR). Perfect Union RI will not receive consideration or compensation for permitting an individual to enter the restricted areas. Entrances to all restricted areas will have a solid door and a lock.

Access to the compassion center shall be monitored through EntraPass software and controlled by utilizing HID readers and correlating fobs with radio frequency identification. Access to the retail lobby will be monitored by a security guard during operational hours. All exterior doors shall automatically close when not being manually held open. Under no circumstances shall any exterior door be held open with an object. All doors shall consist of commercial-grade, nonresidential doors, nonresidential door locks, and secured commercial-grade doorjambs.

All restricted areas inside the compassion center shall be controlled by utilizing HID readers and correlating fobs with radio frequency identification. Only authorized employees will have access to these doors and areas, and shall be monitored through the access control software, EntraPass. All unauthorized persons who enter the restricted areas must be escorted by a manager. All doors to restricted areas will remain closed and locked. In case of a power outage the HID readers and Fobs will still perform in the same manner. The manager and security guard are responsible for reasonably controlling the conduct of persons on the site and shall immediately disperse loiterers.

Unauthorized persons on the property will be reported to a qualified manager who will request private security if needed. If there is an immediate threat, manager will call 911 or push a panic button. All visitors/clients will be scheduled and/or documented in a visitor log both on paper and electronically.

While on site, all employees will wear employee issued identification badges at chest level that includes the employee's name and assigned employee ID number. All vendors on premises will wear badges that indicate "Visitor" on them. No visitor shall have access to restricted areas area unless escorted by a manager.

Compassion Center Access. Perfect Union RI will have an independent exterior entrance that is not shared with any other business or residence. There will be only one front entrance to our compassion center, for use by all patients. Upon arrival at the compassion center, patients will be greeted by a security employee who is assigned to the entrance area. The security guard will advise

patients on appropriate parking and will help monitor the parking area, as well as direct patients to the front entrance. A State licensed security guard will monitor the front entrance. Staff either grants or denies access to the dispensing waiting and services areas.

In accordance with Rhode Island rules and regulations we will verify the age, valid Rhode Island Medical Marijuana Identification (ID) Card and all necessary documentation of each patient to ensure the patient is not under the age of eighteen (18) years. For patients who are under the age of 18, we will verify that their caregivers are 21 years of age or older for the purchase of medical cannabis and cannabis products. We will also ensure entrances into our compassion center are locked at all times with entry strictly controlled. We will use a "buzz-in" electronic entry system to limit access to our compassion center to separate it from the reception/lobby area.



Compassion Center Access Design and Protocol. Entrance areas will remain locked at all times and under the control of an employee or a licensed security guard. Both our site, floor plans and our access protocol are designed to provide the highest level of safety and security for our staff, patients, surrounding community, and inventory. Our experience operating dispensaries allows us to have a well-developed understanding of best practices for controlled access protocol, as well as optimal compassion center design to best promote safety and security with all regulatory requirements in mind. The interior of the compassion center will be configured so that there is an unobstructed view, by use of the naked eye and unaided by video, closed circuit cameras, or any other means, of every public area of the premises. No public area will be obscured by any door, curtain, wall, two-way mirror, or other device. A manager will be in the public portion of the compassion center at all times it is in operation or open to the public in order to enforce all rules and regulations.

Vendors will have a separate, secured entrance. Vendors will be met by a security guard. The security guard will then contact the inventory manager that a vendor is present, and that manager will meet the vendor at specified entrance. Only licensed vendors will be used at Perfect Union RI. Staff will be trained to be alert to strangers and question people who may be looking to unlawfully gain access to the compassion center. Any concerning behaviors will be reported to the security staff and manager on duty immediately. If necessary, we will bring any encountered difficulties to the attention of local law enforcement to ensure the safety of the compassion center, its membership, and the community. In addition to the main entrance, our compassion center will have an Emergency Exit located in the compassion center service area which will be marked with clear legible signage. The emergency exit will remain locked from the outside with commercial grade security locks to prevent unwanted access from the exterior of the building but will be able to be opened from the interior in case of emergency through an approved push-bar system that will also activate our alarm systems.



Only authorized personnel will have access to the areas that are necessary to perform the function of their job and the number of staff members authorized to access each safe or locked cabinet will be kept to a minimum. All products and cash stored in the safe will be accounted for and logged into BioTrack inventory control software. All staff will be accompanied by a manager while in the secure

storage area, and any products transferred in and out of the room will be signed off on by a manager. Entrance to the dispensing area and any storage areas will be locked at all times, and under the control of the managers.

Affiliations with local patient and community organizations.

Perfect Union RI's currently does not have any affiliations with any local patient or community organizations. If chosen for licensure, Perfect Union RI will immediately begin reaching out to patient and community organizations to develop a robust community benefits plan which is further detailed in Exhibit C of this application.

Employee/workplace drug use policies/procedures.

Drug and Alcohol (Substance) Abuse. Perfect Union RI has adopted this "Drug and Alcohol (Substance) Abuse" policy. Our policy prohibits the use, sale, distribution, manufacture, or possession of alcohol or drugs (including excessive quantities of prescription or over-the-counter drugs), paraphernalia, or any combination thereof, on Perfect Union RI premises, property or work sites including Perfect Union RI vehicles and equipment, hired or leased vehicles or equipment, and any private vehicle parked on the Perfect Union RI premises or at a Perfect Union RI worksite, except as specifically permitted by this policy.

The use of lawfully prescribed or over-the-counter controlled substances does not violate this policy. However, any employee legally taking medication should consult a medical professional to determine whether the medication may affect their personal safety or ability to perform the essential functions of the job and should advise their supervisor of any job limitations. Upon notification of job limitations, the Perfect Union RI will make reasonable efforts to accommodate the limitation.

If an employee has a medical need for cannabis that prohibits them from working a full shift without medication, they must inform a supervisor or manager immediately. Upon notification, the Perfect Union RI management team will make reasonable efforts to accommodate employees' needs, after the submitted medical certification has been reviewed by a licensed physician (Medical Review Officer). Where the law permits, the Perfect Union RI reserves the right to conduct drug testing for post-accident if there is an objectively reasonable basis, or as required by state or federal contract language. The Perfect Union RI reserves the right to test for alcohol and drugs for other lawful reasons. When required by law, all positive or inconclusive tests will be reviewed by a licensed physician (Medical Review Officer).

Positive post-accident drug testing may result in forfeiture of workers' compensation funds for accident injury costs.

The Perfect Union RI will provide transportation for the employee to and from the testing center.

It is a violation of Perfect Union RI policy for any employee to:

- Manufacture, possess, sell, trade, or offer for sale paraphernalia, illegal drugs or controlled substances, or to otherwise engage in the abuse of illegal drugs, controlled substances, non-prescription drugs, or alcohol while on duty, while representing the Perfect Union RI, or while on Perfect Union RI premises at any time.
- Report to work or otherwise represent the Perfect Union RI while intoxicated or impaired due to the influence of illegal drugs, non-prescription drugs, alcohol, or controlled

substances, including any metabolite thereof, or bring these substances onto Perfect Union RI premises (including Perfect Union RI vehicles) except as specifically permitted in this policy.

- Abuse prescription drugs (e.g., use a drug that is not prescribed to you, or use it inconsistent with the prescription), and
- Alter or tamper with testing samples.

Employees who suspect that they may have an alcohol or drug problem are encouraged to seek treatment before their job performance or conduct is affected. Employees who are having a difficult time dealing with an alcohol or drug problem can obtain help from Perfect Union RI to find appropriate professional assistance. Also, such employees may be eligible for an unpaid leave of absence to enroll in an accredited rehabilitation program that provides physician supervised treatment. Employees are encouraged to discuss any problem in this area with their supervisor or any other member of management or Human Resources with whom they feel comfortable discussing the situation.

Perfect Union RI is committed to providing a work environment that supports employee health and safety. Perfect Union RI is a smoke, vapor, and aerosol-free place of employment. Smoking, vaping, and aerosolizing is prohibited inside all Perfect Union RI offices and facilities, inside Perfect Union RI vehicles, including all Perfect Union RI work areas and break areas. Smoking is permitted only in areas outside of the workplace that are designated as smoking areas, smoking must be at least 50 feet from doorway/entry way. No additional smoking breaks other than those breaks required by law will be permitted. The prohibition against smoking in the workplace includes e-cigarettes.

Compliance testing policies/procedures.

Compliance with Testing, Labeling and Exit Packing. Perfect Union RI will not accept, possess, or sell medical cannabis goods that are not packaged as they will be sold at final sale, with the exception of exit packaging. All Products sold to Perfect Union RI's compassion center will have been tested prior to acceptance by a private, "approved third party testing providers" promulgated by DOH, including but not limited to 216- RICR-60-05-6. Perfect Union RI will ensure all cannabis products purchased from licensed cultivators have gone through the proper testing channels and have compliant labeling and packaging as required by The Rhode Island Department of Business Regulation, Office of Cannabis Regulation. In compliance with § 1.5 of the regulations. Medical marijuana edibles and ingestible, upon DBR approval, all other retail-ready medical marijuana product placed into a container that is not child-resistant shall be placed into a child-resistant Exit Package at the point of sale.

The Rhode Island Department of Business Regulation, Office of Cannabis Regulation has provided guidance regarding the packaging and labeling of medical marijuana products offered for sale at licensed compassion centers and Perfect Union RI will ensure all products purchased from licensed cultivators adhere to all of the requirements. The guidance issued is in accordance with Rhode Island General Laws § 21-28.6-12 et seq., and the Rules and Regulations Related to the Medical Marijuana Program Administered by the Department of Business Regulation 230-RICR-80-5-1.

All retail ready medical marijuana products will be in have compliant testing, labeling and packaging upon entering Perfect Union RI's retail space. in full compliance with § 1.5 of the regulations. Perfect Union will only contract and purchase medical cannabis and cannabis products from licensed cultivators who adhere to the states testing, labeling and packaging requirements.

Applicant's proposed policies/procedures/mechanisms to ensure compliance with prohibited financial interests.

Perfect Union RI policies and procedures are drafted to be 100% compliant with Rhode Island regulations and non-profit requirements. To achieve this, we will be executing a Cultivation, Management and Quality Assurance contract with an experienced operator in non-profit medical only marijuana programs. Our Manager will be implementing procedures developed in California and utilized to operate Medical Marijuana Mutually Beneficial corporations, not for profit entities, which were required by the State of California. For more than a decade their procedures were used to operate in a compliant and transparent manor, prevent diversion, implement price and third-party contract controls, and even successfully negotiate non predatory leasing and financing terms with property owners. In short we will have management practices, procedures and trainings designed to make sure that all of our contracts and agreements, including any loan or other financing agreements, with all management companies and vendors shall be on commercially reasonable terms and provide for compensation/remuneration at fair market value for the subject services, supplies, equipment, and other goods

Additional requirements for establishing and maintaining its nonprofit status.

While we feel strongly that our management practices will guarantee that we will operate as a nonprofit, our management team will conduct quarterly contract review and audits designed to test the terms on the commercial market. When we have a need for new contracts or bids, we will conduct a standard 3 bid process for contractors and weigh these bids against bids for similar transactions outside of the medical marijuana space. In addition, if at any point it appears as though the success of our compassion center will yield or result in revenue, we will be making contributions to support other Rhode Island nonprofits focusing on education and or youth programs.

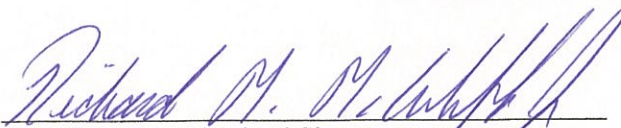
CC Exhibit C– Business Plan

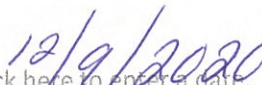
Attach hereto as CC Exhibit C Applicant's Business Plan for the Compassion Center with all information and in compliance with § 1.2(C)(4)(c) of the Regulations.

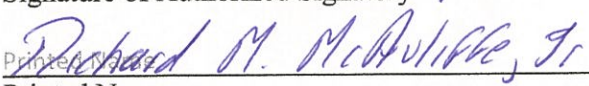
The business plan must demonstrate Applicant's understanding of and ability to comply with the requirements under the Act and the Regulations, likelihood of success, and include without limitation:

- a. Applicant's experience running a non-profit organization or other business, and applicant's experience running a medical marijuana business, as applicable;
- b. Detailed description of amount and source of equity, debt and operating capital for the proposed compassion center, including financial statements or other documentation establishing the source of any funds;
- c. Start-up funding and long-term financial feasibility plan;
- d. Detailed timeline for initiating operations;
- e. Funds for capital improvements and operating needs;
- f. Financial capability;
- g. Financial oversight and compliance plan;
- h. Services for hardship patients and charity care;
- i. Three (3) year projected income statement;
- j. Number and category description of FTEs (full time equivalents) and associated payroll expenses (with benefits) required for staffing;
- k. Description of products and services;
- l. Marketing, promotional and sales plan including pricing strategy;
- m. Industry and market assessment and analysis; and
- n. Segment and customer profile.

[ATTACH AND SIGN BELOW]


Signature of Authorized Signatory


Click here to enter a date.
Date


Printed Name

Print Title:

Print Name of Applicant/Licensee:

CC Exhibit C– Business Plan

CC Exhibit D- Security and Safety Plan

Attach hereto as CC Exhibit D Applicant's Security and Safety Plan for the Compassion Center with all information in compliance with § 1.2(C)(4)(d) of the Regulations.

The security and safety plan must demonstrate Applicant's understanding of, and ability to, comply with the requirements under the Act and the Regulations and shall include without limitation a description of:

- (a) Security equipment including hardware, software applications, and compliance with industry standards and specifications;
- (b) Applicant's security and safety plan with regard to third-party vendors;
- (c) Applicant's security and safety plan with regard to Standard Operating Procedures;
- (d) Applicant's security and safety plan with regard to cash management and/or electronic payment processing, as applicable;
- (e) Applicant's security and safety plan with regard to confirmation of a secured deposit banking account or proposed plan to obtain such account prior to beginning the proposed licensed activities;
- (f) How Applicant would train all employees and registered Compassion center agents on security procedures;
- (g) How Applicant would train all employees and registered Compassion Center agents on safety procedures, including but not limited to responding to a (1) medical emergency, (2) a fire, and (3) a chemical spill;
- (h) How Applicant would train all employees and registered Compassion Center agents on safety procedures including responding to threatening events, such as an armed robbery, an invasion, a burglary, and any other criminal incident;
- (i) How Applicant would secure the licensed premises and facility to prevent unauthorized entry in accordance with the Regulations;
- (j) How the premises and facility will be equipped with a security alarm system that:
 - 1. secures and monitors the entire perimeter;
 - 2. is continuously monitored; and
 - 3. is capable of detecting power loss/interruption in accordance with the Regulations;
- (k) How the premises and facility will be protected by a video surveillance recording system to ensure surveillance of the entire licensed premises and adherence to the video surveillance requirements in accordance with the Regulations;

- (l) How a video surveillance system will be supported by adequate security lighting in accordance with the Regulations;
- (m) How Applicant would maintain a security alarm system that covers all perimeter entry points and portals at all premises;
- (n) How the security system will be:
 - 1. Continuously monitored,
 - 2. Capable of detecting smoke and fire, and
 - 3. Accessible via remote feed to the Department of Business Regulation in accordance with the Regulations.
- (o) How security footage and equipment will be stored and secured in accordance with the Regulations.
- (p) How Applicant will maintain a video surveillance recording system at all premises that:
 - 1. Records all activity in images of high quality and high resolution capable of clearly revealing facial detail;
 - 2. Operates 24-hours a day, 365 days a year without interruption; and
 - 3. Provides a date and time stamp for every recorded frame.
- (q) How the surveillance camera(s) will be located and operated to capture each exit from the premises;
- (r) How the surveillance camera(s) will capture activity at each entrance to an area where medical marijuana and medical marijuana products are located;
- (s) How the recording of security video surveillance shall be made available to the Department of Business Regulation or law enforcement in accordance with the Regulations;
- (t) How Applicant will, when visitors are admitted to a non-public area of the licensed premises:
 - 1. Log the visitor in and out;
 - 2. Continuously visually supervise the visitor while on the premises; and
 - 3. Ensure that the visitor does not touch any medical marijuana or medical marijuana products.
- (u) Applicant's policies and procedures for maintenance of a log of all visitors;
- (v) The process Applicant will follow in reporting a theft or diversion to:
 - 1. the Department of Business Regulation; and
 - 2. Rhode Island State Police in accordance with the Regulations.
- (w) How Applicant will ensure that it, or a registered agent thereof, will not distribute any medical marijuana or medical marijuana products to any person if the licensee or registered

agent knows, or may have reason to know, that the distribution does not comply with the Act or the Regulations;

- (x) How Applicant will record and execute the transfer of medical marijuana from licensed medical marijuana cultivators in accordance with the Regulations; and
- (y) How Applicant will record and execute the transfer of medical marijuana to a patient cardholder, caregiver cardholder, or authorized purchaser cardholder in accordance with the Regulations.

[ATTACH AND SIGN BELOW]

Richard M. McAlister, Jr.
Signature of Authorized Signatory

12/9/2020
Click here to enter date.

Date

Richard M. McAlister, Jr.
Printed Name

Print Title:

Print Name of Applicant/Licensee:

CC Exhibit D- Security and Safety Plan

CC Exhibit E – Operations Manual Required Content

Attach hereto as CC Exhibit E Applicant's Operations Manual for the Compassion Center with all information and in compliance with § 1.2(C)(4)(e) of the Regulations.

The Operations Manual must include, without limitation, a written description of Applicant's policies, procedures and plans regarding:

- Patient intake and identification checks, patient education, patient feedback/product selection, any other proposed services to be provided at the Compassion Center;
- Point of sale tracking;
- Advertising;
- Vehicle/foot traffic impact and mitigation of community impact;
- Packaging and labelling;
- Complaints;
- Returns/refunds; and
- Product recalls.

The Operations Manual must demonstrate Applicant's understanding of and ability to comply with the requirements under the Act and the Regulations and include without limitation a description of:

- (a) The Applicant's biography including experience, knowledge, and training as it relates to:
 1. The marijuana industry in Rhode Island or any other state;
 2. Current role or participation in the Rhode Island Medical Marijuana Program;
 3. Past experience running a business or nonprofit;
 4. Familiarity with medical marijuana products and patients' utilization of products to treat qualifying conditions;
 5. Product testing and the use of seed to sale inventory tracking; and
 6. Any other background information or documentation Applicant believes demonstrates its qualifications to hold a compassion license.

If Applicant is currently a caregiver, licensed cultivator, or part of a licensed cooperative cultivation entity in Rhode Island, Applicant must include their registration ID number and how long they have been a caregiver or operating as a licensed cultivator or cooperative cultivation.

- (b) A list of proposed medical marijuana varieties and product types proposed to be offered.
- (c) A pricing model for how the price of products will be determined. Applicant must do this for products that will be procured from licensed cultivators as well as for products which may be manufactured by the compassion center if approved and/or applicable. This must include price ranges by categories of products (edibles, tinctures, vape cartridges, topicals, *etc.*) and/or any price structures which are based on levels of specific cannabinoids (THC, THCa, CBD, *etc.*). Applicant must state whether the compassion center would utilize pricing tiers for flower or any other categories of products and, if so, describe the general product requirements of each product as well as the price range per tier.

- (d) Any programs the compassion center would adopt to provide patients with discounted or free medicine. Applicant must include any qualifying factors it plans to use, if any, such as patient income, disability status, terminal diagnosis, or any other need-based criteria which the center may adopt.
- (e) How the Applicant would train all employees and registered compassion center agents on Federal and State medical marijuana laws and regulations as well as other laws and regulations pertinent to the compassion center agents' responsibilities.
- (f) How the Applicant would train all employees and licensed compassion center agents on standard operating procedures.
- (g) How the Applicant would train all employees and registered compassion center agents on detection and prevention of diversion of medical marijuana and medical marijuana products.
- (h) How the Applicant would establish written standard operating procedures for receipt of medical marijuana material and/or products, including how Applicant will inspect products for defects, contamination, and compliance with Regulations.
- (i) How the Applicant will use a perpetual inventory control system that identifies and tracks Applicant's stock of medical marijuana products from the time the medical marijuana is obtained by, or delivered to, a registered compassion center to the time it is sold or transferred to a patient cardholder, caregiver cardholder, or authorized purchaser in accordance with the Regulations. Applicant must address the situation in which it has access to the state approved Medical Marijuana Program Tracking System and the situation in which Applicant does not have access to the System (as specified in the Regulations).
- (j) How, as soon as is practical, if the Applicant does not have access to the state approved Medical Marijuana Program Tracking System, Applicant will, for each medical marijuana unit or product:
 - 1. Create a unique identifier;
 - 2. Enter information regarding the product/unit into an alternate inventory control system;
 - 3. Create a label with the unique identifier and batch number; and
 - 4. Securely attach the label to each unit/product.
- (k) How the Applicant will notify the Department of Business Regulation of an inventory or supply discrepancy if Applicant discerns a discrepancy between the inventory and the medical marijuana program tracking system.
- (l) How the Applicant will quarantine and not release any medical marijuana product if notified the product fails to meet all criteria for production or patient consumption in accordance with the Regulations.


- (m) In the case where faulty products have been sold or transferred to customers, how the Applicant will institute a recall and notify customers about the faulty products and what they should do if they still possess them.
- (n) How the Applicant will hold medical marijuana and medical marijuana products in secure and segregated storage.
- (o) How the Applicant, as a licensed compassion center, would establish procedures to receive, organize, store, and respond to all oral, written, electronic, or other complaints regarding medical marijuana and adverse events.
- (p) How the Applicant will ensure it does not transport medical marijuana or medical marijuana products to, or receive any medical marijuana or medical marijuana products from, any place outside of Rhode Island.
- (q) How the Applicant will have a standard operating procedure to require an employee or compassion center agent to report any personal health condition that could pose a threat to customers or compromise the cleanliness or quality of the medical marijuana products the employee/agent might handle.
- (r) How the Applicant will provide for disposal and segregated storage of any medical marijuana or product that is outdated, damaged, deteriorated, misbranded, or adulterated.
- (s) How the packaging and labeling of medical marijuana finished products will be in compliance with all applicable Regulations.
- (t) How a package of medical marijuana finished product will bear any allergen warning required by law.
- (u) How the Applicant will assure that a package of medical marijuana finished product does not bear any resemblance to the trademarked, characteristic, or product-specialized packaging of any commercially available candy, snack, baked good, or beverage.
- (v) How the Applicant will assure that a package of medical marijuana finished product does not bear any statement, artwork, or design that could mislead any person to believe that the package contains anything other than a medical marijuana finished product.
- (w) How the Applicant will assure that a package of medical marijuana finished product does not bear any cartoon, color scheme, image, graphic, or feature that might make the package attractive to children.
- (x) How the Applicant will ensure compliance with state and federal health and safety protocols, requirements and guidance with respect to the COVID-19 health pandemic.

Exhibit E Signature page

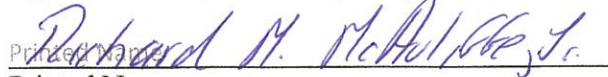
[ATTACH AND SIGN BELOW]



Signature of Authorized Signatory



Date



Printed Name

Print Title:

Print Name of Applicant/Licensee:

CC Exhibit E – Operations Manual Required Content

CC Exhibit F – Compassion Center Premises Requirements

Attach hereto as CC Exhibit F, per § 1.2(C)(4)(f) of the Regulations, is all the information responsive to paragraphs (i) through (vi) below.

Is the applicant proposing **alternative locations** in the same zone under this application?

Yes ☐

No ☒

If “Yes”, then Application must provide a complete response to paragraphs (i) through (vi) below for each proposed location.

Applicant’s response must demonstrate its understanding of, and ability to comply with, the requirements under the Act and the Regulations and include without limitation:

- i. A description of the proposed Licensed Premises, including street address, plat/lot number and zoning district.
- ii. Evidence of compliance for the location(s) with the local zoning laws in the form of a certificate or letter from an authorized zoning official;
- iii. Evidence that the physical location is not located within one thousand feet (1,000’) of the property line of a preexisting public or private school in compliance with R.I. Gen. Laws § 21-28.6-12(f)(2) as demonstrated by a GIS Map or other similar municipal map showing Applicant’s property, and the 1,000 foot distance from the property line of any schools;
- iv. A draft diagram, shown to scale, no smaller than 8.5” by 11” and no larger than 11” X 17”, of the proposed facilities showing:
 - (1) Where medical marijuana will be stored, processed, packaged, manufactured and dispensed;
 - (2) The restricted-access areas, limited-access areas, walls, partitions, entrances, exits and location of security alarms, cameras, and surveillance recording equipment locations;
 - (3) Patient access areas including areas designated for patient enrollment, waiting, and education;
 - (4) Any public transportation services nearby,
 - (5) A diagram of all proposed on-site and off-site parking capacity (including spaces for persons with disabilities);
 - (6) How the facility will provide ADA-compliant access for persons with disabilities; and
 - (7) The location of the facility relative to streets and other public areas, and any other relevant information;
- v. A description of objective parameters (such as distances from streets and public areas) and/or proposed measures (such as black-out window shades) that ensure that marijuana at the premises shall not be visible from the street or other public areas; and

- vi. Documents evidencing either ownership of property or lease agreement with owner of property to allow the operation of a compassion center on the property, if property has already been purchased or leased at the time of the application or a signed letter of intent for such a sale or lease.

Exhibit F Signature page

[ATTACH AND SIGN BELOW]

Richard M. McAdams
Signature of Authorized Signatory

10/9/2020
Click here to enter a date.
Date

Richard M. McAdams, Jr.
Printed Name
Print Title:
Print Name of Applicant/Licensee:

CC Exhibit F – Compassion Center Premises Requirements

Attach hereto as CC Exhibit F, per § 1.2(C)(4)(f) of the Regulations, is all the information responsive to paragraphs (i) through (vi) below.

Is the applicant proposing **alternative locations** in the same zone under this application?

Yes ☐

No ☒

If “Yes”, then Application must provide a complete response to paragraphs (i) through (vi) below for each proposed location.

Applicant’s response must demonstrate its understanding of, and ability to comply with, the requirements under the Act and the Regulations and include without limitation:

i. A description of the proposed Licensed Premises, including street address, plat/lot number and zoning district.

The proposed premises is standalone building that is 1,925 sf located at 52 River Avenue, Providence, RI 02098. Plat number: 065-0152-000, Lot: 11020. Zoning District: M-1Light Industrial.

ii. Evidence of compliance for the location(s) with the local zoning laws in the form of a certificate or letter from an authorized zoning official.

Jorge O. Elorza, Mayor



Joseph Atchue, Director

**Department of Inspections and Standards
ZONING CERTIFICATION**

A zoning certificate is defined by R.I.G.L. § 45-24-31(65) as "a document signed by the zoning enforcement officer, as required in the zoning ordinance, which acknowledges that a use, structure, building or lot either complies with or is legally nonconforming to the provisions of the municipal zoning ordinance or is an authorized variance or modification therefrom."

Location: 52 River Ave , Providence 02908

Plat/Lot: 065-0152-0000

Lot Area: 11020

Zoning District: M-1 Light Industrial District

Zoning Use: Industrial - Light

Issue Date: November 18, 2020

Zoning Use 1

Zoning Use: Industrial - Light

Reference Document (Permit #): 711 **Date:** October 27, 1999

Date of CO or LOC:

Is this Zoning Use permitted by right?: Yes

Is this Zoning Use nonconforming?: No

Is this Zoning Use by Variance or Special Use Permit?: No

ZBR Resolution Number:

Requestor Info:

Name: Jeff Taylor

Owner Info:

Name: MWG Holdings

Address: [REDACTED] PROVIDENCE RI 02906

Phone: **Email:**

Comments:

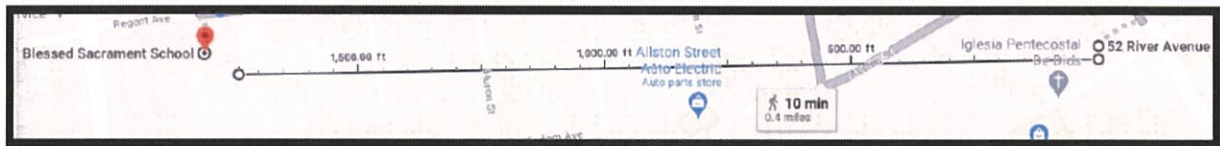
This certificate is being supplied to you in accordance with R.I.G.L. §45-24-54 and Section 1916, Article 19 of the City of Providence Code of Ordinances, which provide that upon a written request for guidance or clarification, the director of the Department of Inspection and Standards shall issue a zoning certificate or provide information to the requesting party within fifteen (15) days of a written request. The zoning designation provided by the director shall be considered accurate on the date. Please note that zoning designations are subject to change by the Providence City Council

- iii. Evidence that the physical location is not located within one thousand feet (1,000') of the property line of a preexisting public or private school in compliance with R.I. Gen. Laws § 21-28.6-12(f)(2) as demonstrated by a GIS Map or other similar municipal map showing Applicant's property, and the 1,000 foot distance from the property line of any schools.

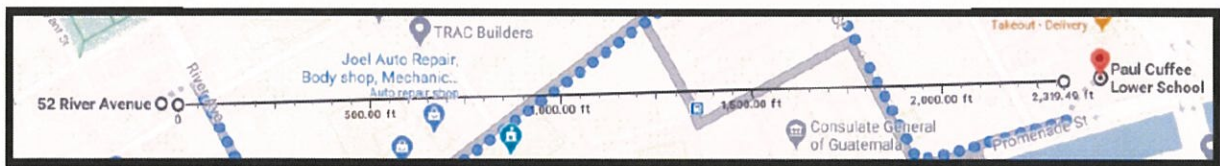
52 River Ave, Providence, RI 02908

	Institution Name	Distance from Proposed Facility
Nearest Schools	Blessed Sacrament School	0.4 Mile
	Paul Cuffee Lower School	0.6 Mile
	Nathanael Greene Middle School	0.8 Mile

Distance from Blessed Sacrament School



Distance from Paul Cuffee Lower School



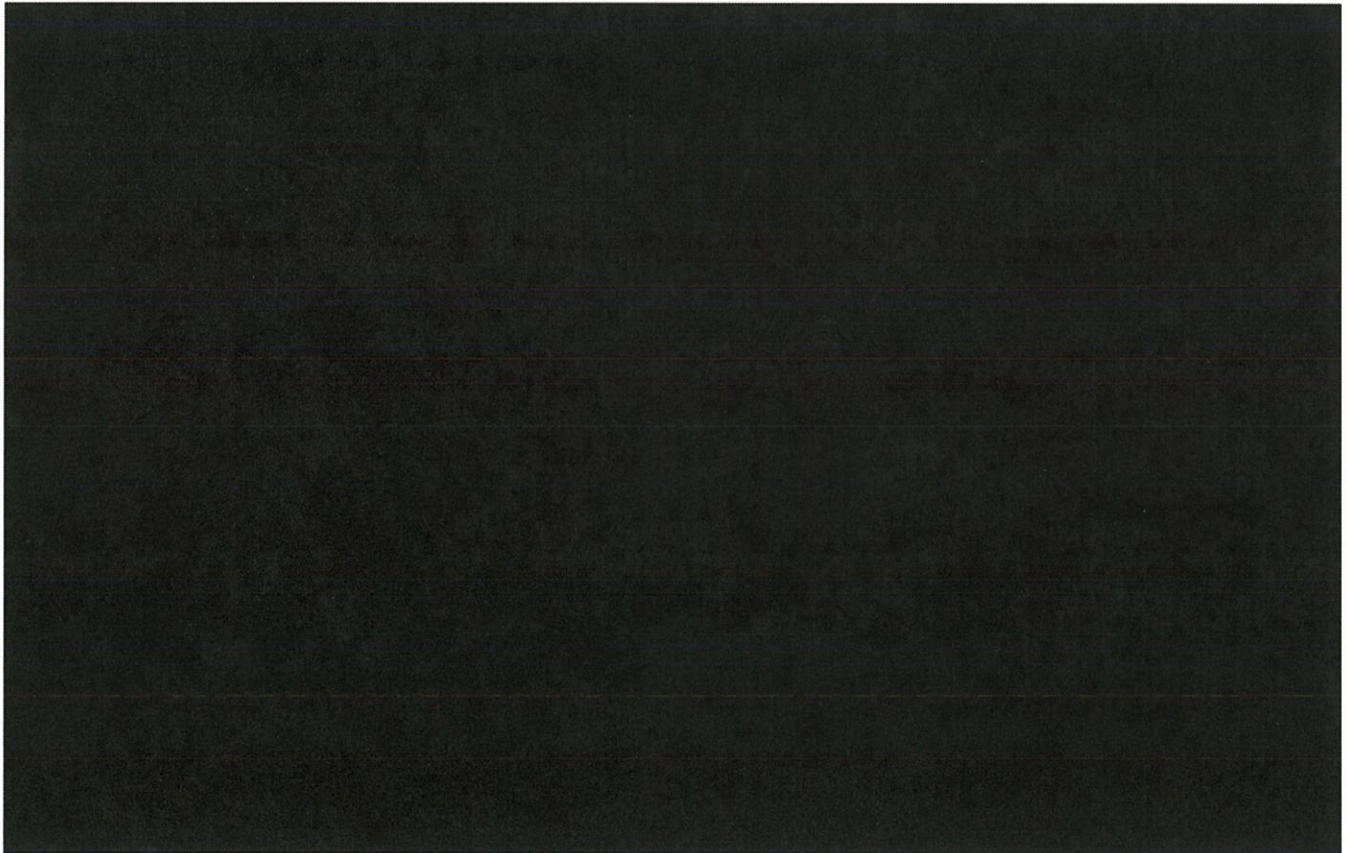
Distance from Nathanael Greene Middle School



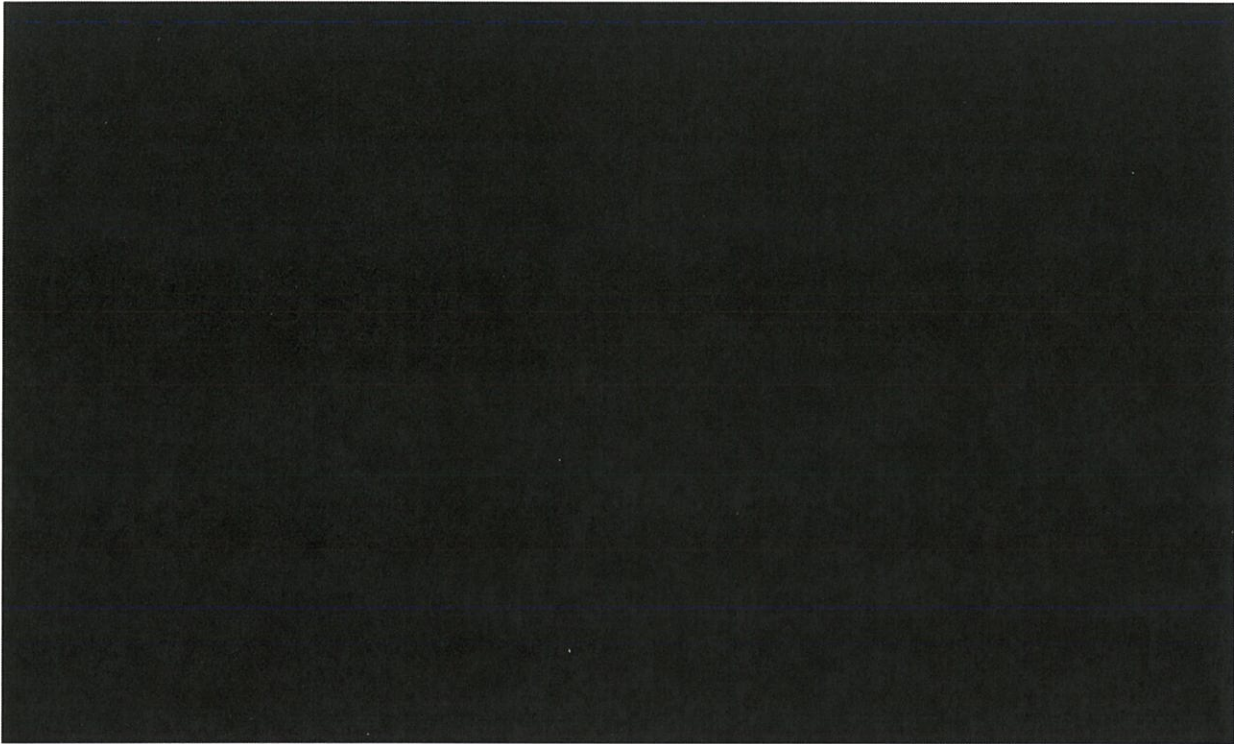
iv. A draft diagram, shown to scale, no smaller than 8.5" by 11" and no larger than 11" X 17", of the proposed facilities showing:

1. Where medical marijuana will be stored, processed, packaged, manufactured, and dispensed.
 2. The restricted-access areas, limited-access areas, walls, partitions, entrances, exits and location of security alarms, cameras, and surveillance recording equipment locations.
 3. Patient access areas including areas designated for patient enrollment, waiting, and education.
 4. The answer to this question is beside question 7.
 5. A diagram of all proposed on-site and off-site parking capacity (including spaces for persons with disabilities).
 6. How the facility will provide ADA-compliant access for persons with disabilities.
-

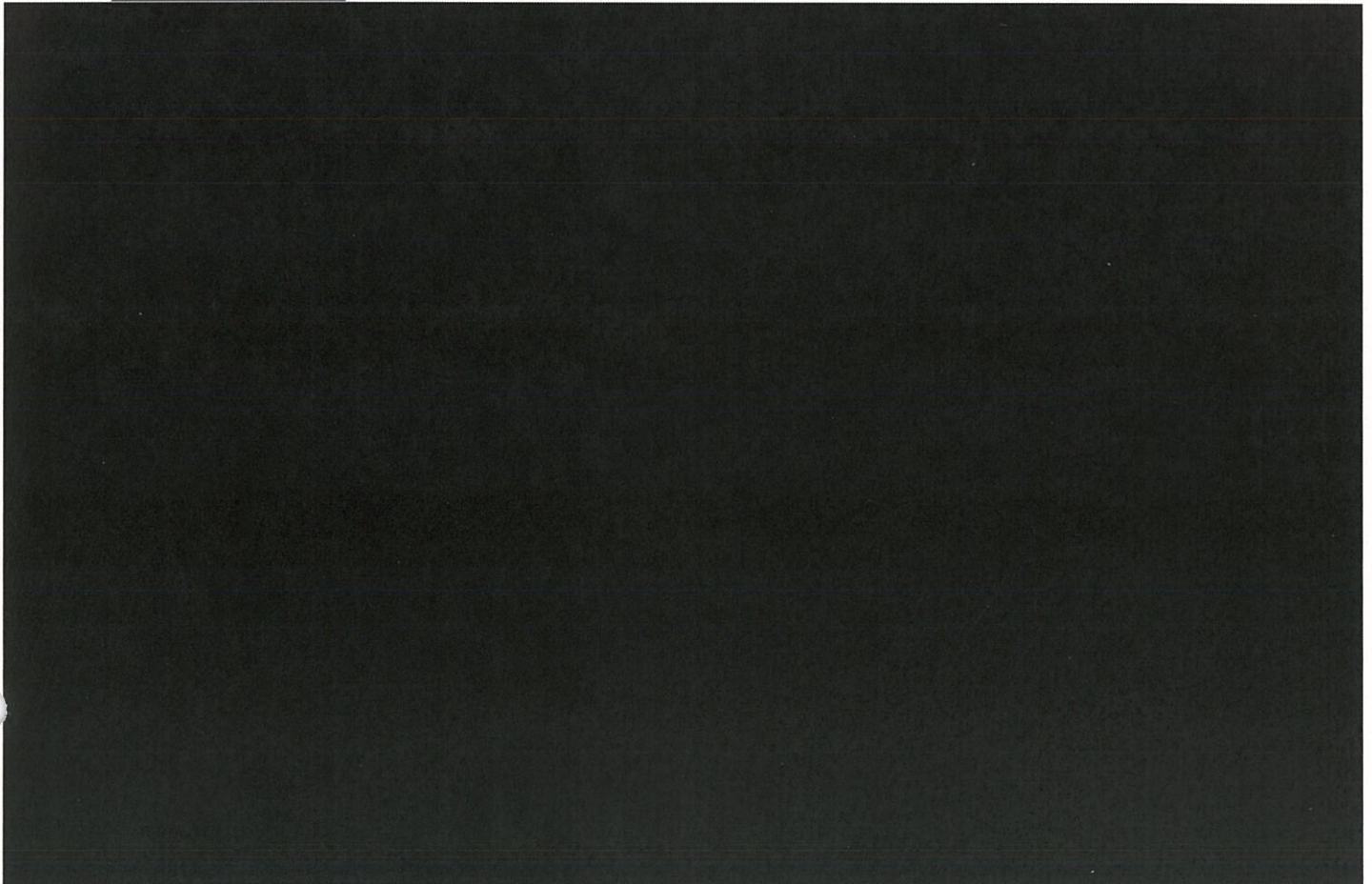
Draft Diagram of the proposed facility floor plan



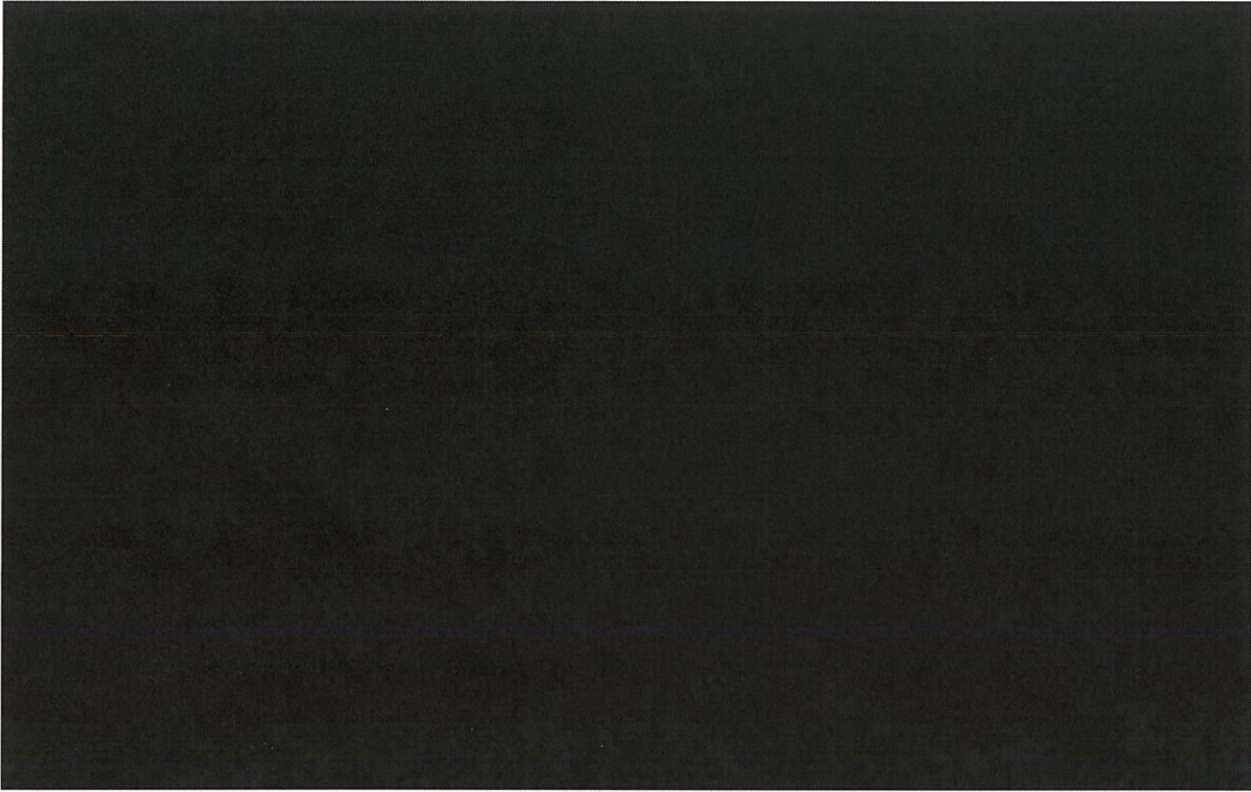
Draft Diagram of the proposed facility floor plan cont.



Security Measures

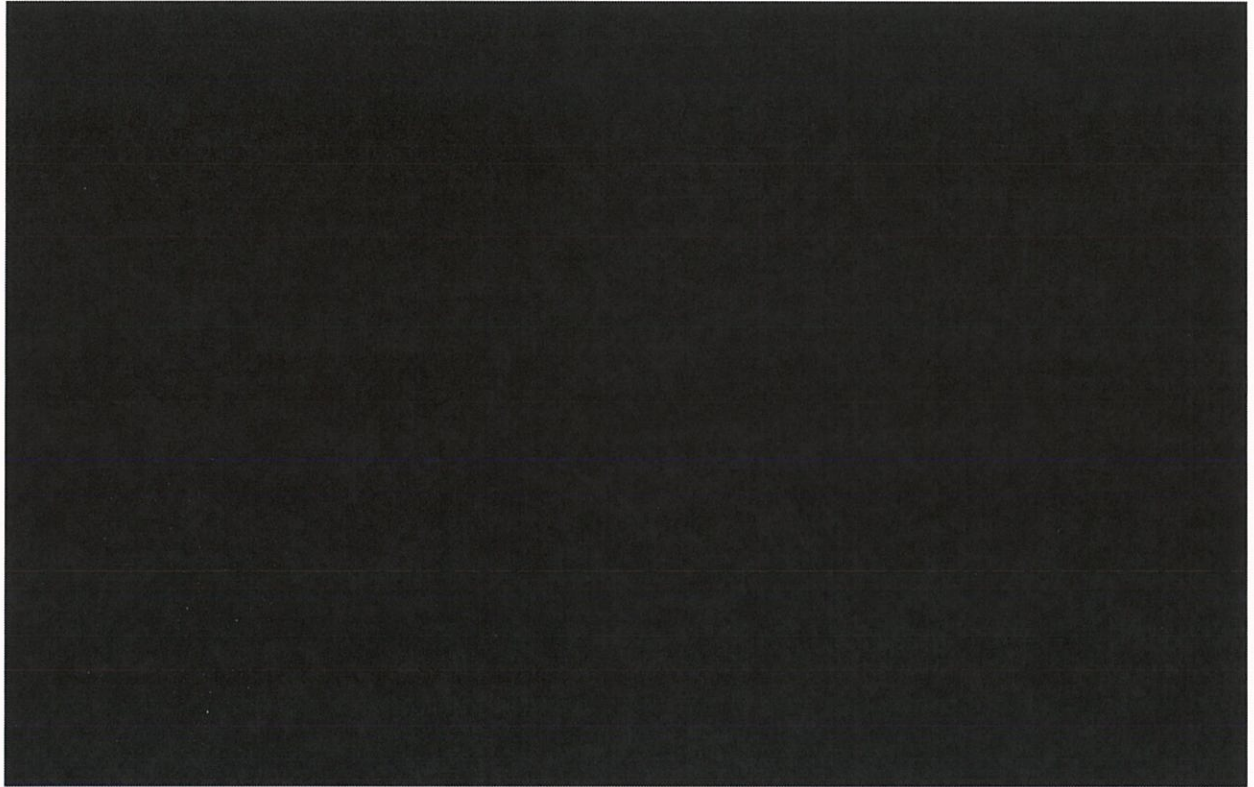


Security Measure Placements Cont.



Site Plan with Parking/ADA Parking

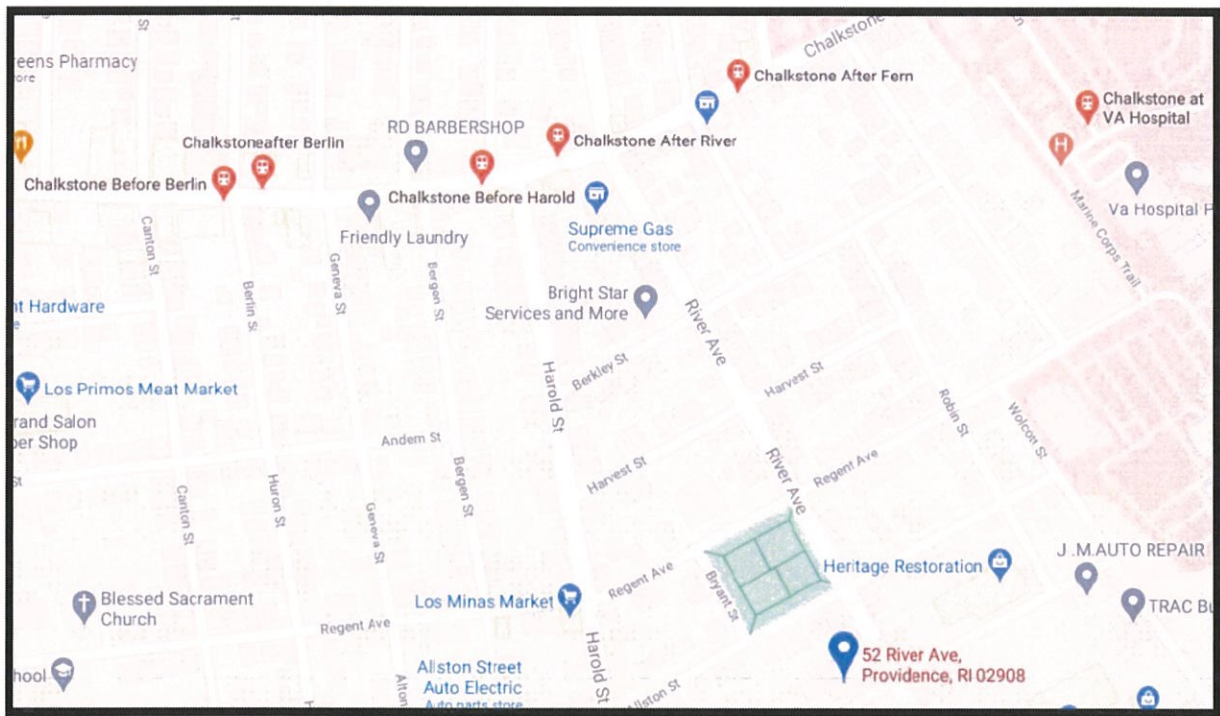
We have reserved 4 of the nearest entrance parking spots for persons with disabilities. They are labeled "ADA" on the Site Plan below.



4. Any public transportation services nearby.

The public transportation locations near our proposed facility are seen on the map below.

- Bus Stop Chalkstone at VA Hospital
- Chalkstone After Fern
- Chalkstone after River
- Chalkstone Before Harold
- Chalkstone After Berlin
- Chalkstone Before Berlin

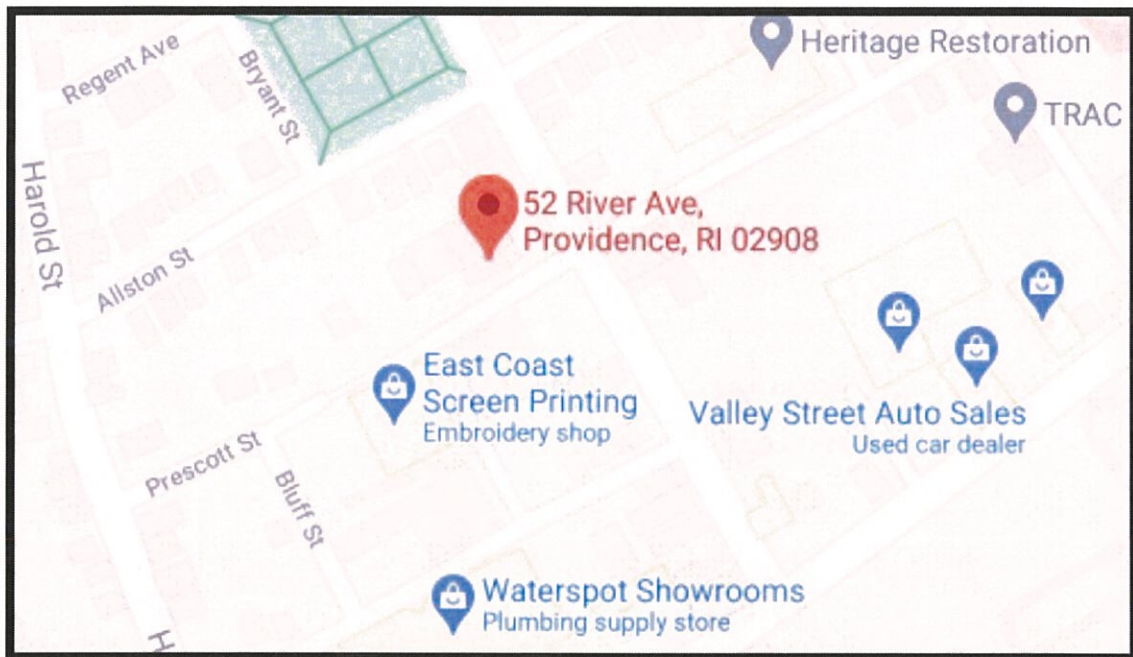


7. The location of the facility relative to streets and other public areas, and any other relevant information.

The facilities main cross streets are River Avenue and Prescott Street as seen on the map below:

The nearest public areas are:

- East Coast Printing
- Universal Plating
- Valley Street Auto Sales
- Waterspot Showrooms

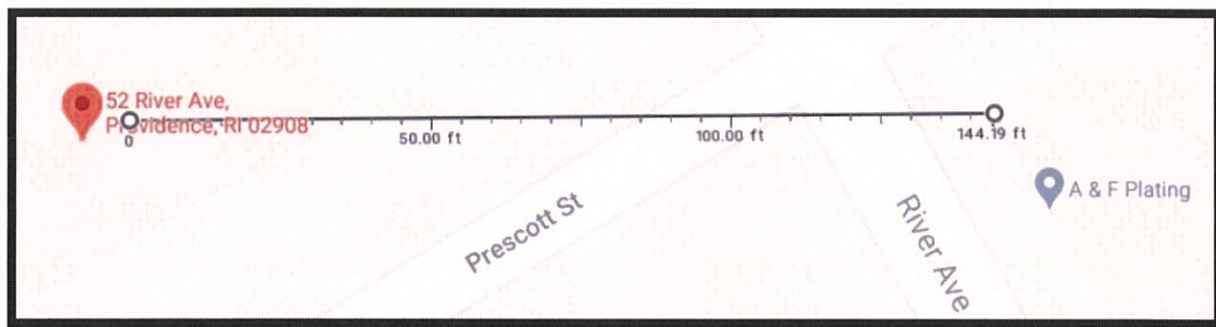
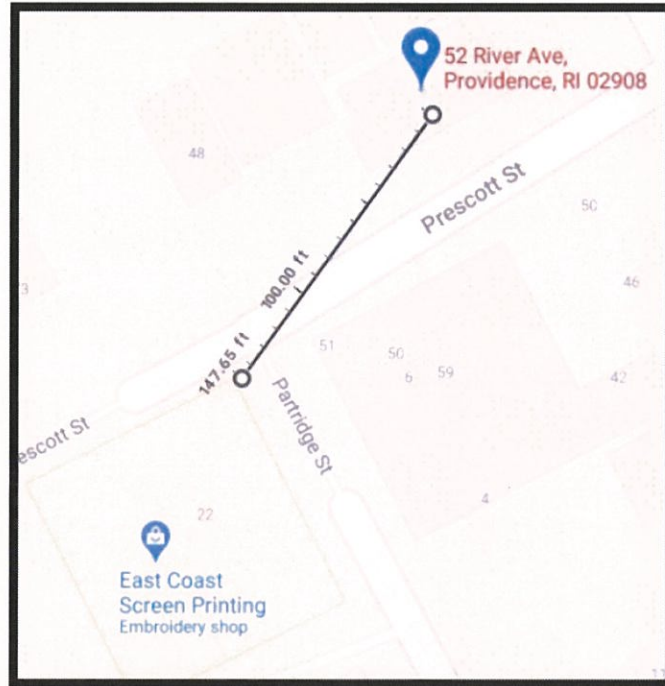


- v. **A description of objective parameters (such as distances from streets and public areas) and/or proposed measures that ensure that marijuana at the premises shall not be visible from the street or other public areas.**
-

Our proposed facility 52 River Avenue is 73.8 feet from River Avenue and 21.03 feet from Prescott Street, which are the nearest streets, as seen on the maps below.



The Nearest Public Areas our proposed facility at 52 River Avenue is East Coast Printing which is 147 feet from our facility and A & F plating, which is 144 feet from our facility, as seen on the maps below.



We will use black out windows shades to cover the windows. There will be no way to see inside of our compassion center. Perfect Union RI will ensure that there will be no public view of our compassion center at any time.

- vi. Documents evidencing either ownership of property or lease agreement with owner of property to allow the operation of a compassion center on the property, if property has already been purchased or leased at the time of the application or a signed letter of intent for such a sale or lease.
-

Attached.

**COMMERCIAL LEASE
(Single-Tenant Building)**

EFFECTIVE DATE: May__3, 2018

BETWEEN: THOMAS A. COLOGNA
("Landlord") with a mailing address of [REDACTED],
[REDACTED], Roseville, CA 95661

AND: MWG HOLDINGS LLC ("Tenant") with a mailing address of [REDACTED]
[REDACTED] Sacramento, CA 95815

RECITALS

A. Landlord is in the process of acquiring a building and other improvements on that certain parcel of land commonly known as 52 River Avenue, Providence, Rhode Island 02908 (the "Premises"); and

B. Landlord desires to lease to Tenant and Tenant desires to lease from Landlord the Premises as depicted on Exhibit A, on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties, intending to be legally bound, agree as follows:

AGREEMENT

1. LEASE AND TERM.

1.1. Lease of Premises. In consideration of the covenants and agreements herein contained, Landlord does hereby lease the Premises to Tenant, and Tenant does hereby lease the Premises from Landlord.

1.2. Term. The term of this Lease ("Term") shall be for a period of 60 months, commencing on Lease Commencement Date, unless sooner terminated as hereinafter provided.

1.3. Extension Option. As long as Tenant is not in default under this Lease at the time of exercise or as of the date of commencement of the Extension Period, Landlord hereby grants Tenant an option to extend this Lease (the "Option") for an additional period of 60 months (the "Extension Period"), on the same terms, covenants, and conditions of this Lease, except that the Base Rent will be determined according to Section 2.2 below and Tenant shall have no further option to extend this Lease. Tenant will exercise the Option, if at all, by giving Landlord written notice (the "Option Notice") at least ninety (90) days before the expiration of the initial Term. The Extension Period shall commence on the day following expiration of the initial Term.

1.4. Condition of Premises; No Warranties. Tenant acknowledges that it has inspected the Premises and accepts the Premises in its present condition subject to Landlord's warranty that the Premises as delivered is compliant with applicable law.

Tenant may, at Landlord's expense, through a licensed and bonded contractor, and accordance with all city codes make all necessary Tenant Improvements ("TIs") on the Premises including adding mezzanine floors for cultivation activities, in which case, the monthly rent does not change. Electrical, HVAC and related equipment costs, including grow lights, necessary to support the cultivation activities shall be borne by Landlord upon successful receipt of licenses. Landlord shall have the right to approve all Tenant Improvement plans before any work begins. Landlord's total contribution to the Tenant Improvements shall not exceed \$160,000.00. Paydown of the tenant improvement cost shall be deemed to be paid down as if they were amortized over a ten-year period, without interest, over the course of the lease. If the lease term runs less than ten years, Tenant shall make a one-time payment to Landlord to pay off the remaining balance of the tenant improvement cost. In the event the Lease term runs for ten years, the tenant improvements shall be deemed paid in full.

Tenant further acknowledges that neither Landlord nor any broker or agent has made representations or warranties as to the size, configuration or condition of the Premises, any of the systems servicing the Premises or any improvements thereon, or the adequacy of the Premises for Tenant's intended use. Provided that the Premises are delivered in the foregoing condition, Tenant shall accept the Premises in its "AS IS/WHERE IS" condition based solely upon its own inspection and not upon any representations or warranties by Landlord and except as specifically set forth in this Lease, Landlord has no obligation and has made no promises to alter, remodel, improve, maintain, repair, decorate or paint the Premises or any part thereof. If delivery or possession of the Premises is delayed for any reason whatsoever, this Lease shall not be void or voidable nor shall any delay in delivery of possession of the Premises operate to extend the Term or amend Tenant's obligations under this Lease; provided, that in the event of any such delay, as Tenant's sole remedy, the commencement of this Lease shall be delayed until such delivery is made. Tenant's taking of possession of the Premises shall be deemed for all purposes to be Landlord's satisfaction of its obligations to deliver the Premises to Tenant in the condition required herein.

2. RENT.

2.1. Rent. This Lease shall commence on June 1, 2018. The term "Rent" as used in this Lease includes Base Rent, Operating Expenses, taxes and insurance and all other sums due under this Lease. Base Rent is payable by Tenant in advance on the first day of each calendar month. Operating Expenses, Taxes and insurance are payable by Tenant on or before the due date. Payment of all Rent will be made to Landlord at such address as may be designated by Landlord from time to time.

2.2. Base Rent. Tenant will pay the following annual base rent (the "Base Rent") to Landlord in equal monthly payments during the original Term and, if the Option is exercised, during the Extension Period:

Time Period	Monthly Base Rent
Months 1 – 60	\$7,500

If Tenant exercises its Option as provided in Section 1.3 above, the Base Rent for the first year of the Extension Period will be greater of: (a) the immediately preceding Monthly Base Rent or (b) 90% the fair market rent for the Premises, determined as provided in this Section. The parties will use commercially reasonable efforts, for a period of thirty (30) days after Landlord's receipt of the Option Notice, to agree on the Base Rent for the Extension Period by looking at fair market rental rates of other similar marijuana-related warehouses in Providence, Rhode Island for the ensuing Extension Period. If the parties are unable to agree on the Base Rent for the Extension Period within thirty (30) days after Landlord's receipt of the Option Notice, the Base Rent will be determined by a qualified, independent MAI real property appraiser with at least five (5) years of experience who is familiar with marijuana-related commercial rental values in the Providence area. The appraiser will

be chosen by Tenant from a list of not fewer than three (3) such persons not affiliated with Landlord or with whom Landlord has a pre-existing personal or business relationship submitted by Landlord within five (5) days of receipt thereof. If Tenant does not select an appraiser within five (5) days after submission of the list, Landlord will make the selection and the selection will be binding on Tenant. If Landlord fails to submit a list within ten (10) days after written request therefor from Tenant, Tenant may submit to Landlord a list of not fewer than three such persons and Landlord shall then select one of the foregoing appraisers within five (5) days of receipt thereof. If Landlord does not select an appraiser within five (5) days after submission of the list, Tenant will make the selection and the selection will be binding on Landlord. Within thirty (30) days after the appraiser's appointment, the appraiser will provide a written report with the appraiser's determination of the Base Rent (fair market rent), which will be final and binding on both parties. The cost of the appraisal will be borne equally by the parties. After the first year of the Extension Period, Base Rent shall increase at the rate of three percent (3%) annually.

2.3 Operating Expenses. In addition to Base Rent, Tenant shall pay to Landlord the Operating Expenses incurred by Landlord in connection with the Property. The term "Operating Expenses" shall mean all expenses paid or incurred by Landlord or on Landlord's behalf, as reasonably determined by Landlord to be necessary or appropriate for the efficient operation, management, maintenance, and repair of the Property and the Building. Operating Expenses shall also include the cost of any capital improvement to the Property or Building, amortized with a reasonable finance charge over the shorter period of (i) its useful life or (ii) the longest period during which the cost can be amortized under applicable tax laws; provided, however, that such capital improvements shall include only roof, heating, air conditioning, and sprinkler systems, and those that are required by applicable building codes or laws, or those that Landlord reasonably believes will improve the operating efficiency of the Building or the Property. In the case that Landlord decides to make capital improvements to the Property or the Building, the Tenant shall be informed of such plans two calendar months prior to construction, and be permitted to hire a third-party contractor to bid on such capital improvements. The contract for such capital improvements shall be awarded to the contractor that submits the lowest bid. Tenant shall pay to Landlord an amount each month which is equal to 1/12 of the estimated Annual Operating Expenses, as provided in Section 2.5, below. Prior to execution of the lease, the Landlord shall furnish an expected annual Operating Expense projection, upon which the Landlord shall agree to not exceed this projection by more than twenty-five percent (25%). Landlord will take reasonable efforts to negotiate competitive rates for all services. Notwithstanding anything in this Lease to the contrary, operating expenses shall not include: (a) repairs and maintenance or other items paid by proceeds of insurance or proceeds of a warranty claim; (b) expenses in connection with services or other benefits of a type which Tenant is not entitled to receive under the Lease but which are provided to another tenant or occupant of the Building; (c) any costs associated with an audit of the Landlord's records that is performed at the request of or on behalf of a third party, including any other tenant or occupant of the Building; (d) any interest or payments on any mortgages or deeds of trust or rental on any ground or underlying lease, and penalties and charges incurred as a result of Landlord's late payment under such mortgages, deeds of trust or ground leases; (e) legal fees, leasing commissions, advertising, and marketing expenses and other such costs incurred in connection with the development, marketing, advertising, or leasing of the Building, including but not limited to expenses associated with maintaining a leasing office; (f) any allowances or credits provided to any tenant for rent, construction or renovation (including design and permitting) of tenant improvements, moving or similar purposes, and the costs of any construction or renovation (including design and permitting) of tenant improvements performed by Landlord for any tenant; (g) reserves for bad debts; (h) costs or expenses incurred as a result of disputes or negotiations with other tenants or occupants of the Building, including but not limited to attorneys' fees, any costs or expenses incurred in negotiating, amending, administering or terminating leases, any brokerage commissions, or construction or planning expenses; (i) penalties, fines, late fees, interest or similar charges incurred

due to violations by Landlord or any tenant (other than Tenant) of the Building of any laws, rules, regulations, or ordinances, including fines, interest and penalties incurred due to the late payment of taxes; (j) the cost of any environmental remediation, including, without limitation, any costs incurred to test, survey, cleanup, contain, abate, remove, or otherwise remedy hazardous wastes or asbestos-containing materials from the Building; (k) overhead and profit paid to subsidiaries or affiliates of Landlord for services on or to the Building, to the extent only that the costs of such services exceed competitive costs for such services were they not rendered by a subsidiary or affiliate; and (l) costs or expenses for correcting defects in the design or construction of the Building, including, without limitation, latent defects.

2.5 Property Taxes and Insurance. In addition to Base Rent, Tenant shall pay all real property taxes and assessments levied, assessed, or imposed during the Term upon the Property ("Taxes") and the costs of insurance provided by Landlord pursuant to Section 7 ("Insurance"). Tenant shall pay to Landlord an amount each month which is equal to one-twelfth of the estimated annual Taxes and Insurance together with Tenant's payment of Operating Expenses, as provided in Section 2.5 below. If, during the Term, the voters of the state in which the Premises are located or the state legislature enacts a real property tax limitation, then any substitute taxes, in any name or form, which may be adopted to replace or supplement real property taxes, shall be added to Taxes for purposes of this Section 2.4. Should there be in effect during the Term any law, statute, or ordinance which levies, assesses, or imposes any tax (other than federal or state income tax) upon rents, Tenant shall pay such taxes as may be attributable to the Rents under this Lease or shall reimburse Landlord for any such taxes paid by Landlord within ten days after Landlord bills Tenant for the same. Notwithstanding the foregoing, Tenant shall not pay any portion of real property taxes resulting from a reassessment of the Property following a sale of any interest in the property after one reassessment.

2.6 Payment of Operating Expenses, Taxes and Insurance. Landlord shall notify Tenant of Tenant's required estimated monthly payments of Operating Expenses, Taxes, and Insurance. Beginning on the Commencement Date, and continuing throughout the Term, Tenant shall make such monthly payments on or before the first day of each calendar month. Landlord may, from time to time, by written notice to Tenant, change the estimated monthly amount to be paid. No interest or earnings shall be payable by Landlord to Tenant on any amount paid under this Section, and Landlord may commingle such payments with other funds of Landlord. Landlord shall, within 90 days after the close of each calendar year or as soon thereafter as is practicable, deliver to Tenant a written statement setting forth the actual Operating Expenses, Taxes, and Insurance for the prior year together with a computation of the charge or credit to Tenant of any difference between the actual cost and the estimated cost paid by Tenant for such period; and any such difference shall be applied to amounts subsequently due from Tenant to Landlord, or if no such sums are or will be owed, then such sums shall be paid or reimbursed, as applicable, within ten days after Landlord gives Tenant notice thereof. If Tenant has any objections to the annual statement made by Landlord, such objections shall be made in writing given to Landlord within 30 days after the statement is submitted to Tenant. If no objection is made within such time period, the annual statement shall be conclusive and binding on Tenant. If Tenant desires to review any of Landlord's records pertaining to Operating Expenses, Taxes, or Insurance, Tenant may do so after reasonable prior notice given to Landlord, but no more often than once during any calendar year. Such review shall take place where such records are kept, and shall be conducted by a certified public accountant chosen by Tenant subject to Landlord's prior written approval, which shall not be unreasonably withheld. Tenant shall pay all costs of such review including without limitation reimbursement for time incurred by Landlord's representatives and photocopy charges.

2.7 Late Charge. If Rent is not paid within ten (10) days after the date such Rent is due, Tenant shall pay to Landlord, in addition to Rent then due, a late charge equal to five percent (5%) of Rent then due (the "Late Charge"). Tenant agrees that late payment by Tenant to Landlord of any

Rent or other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, that the exact amount of such costs is extremely difficult and impracticable to ascertain, and that the Late Charge is not a penalty but represents a fair and reasonable estimate of the costs that Landlord will incur by reason of any such late payment.

2.8 Security Deposit. Concurrently with the execution of this Lease by Landlord and Tenant, Tenant will deliver to Landlord the sum of \$7,5000.00 as a security deposit (the "Security Deposit"). Landlord may apply the Security Deposit to pay the cost of performing any obligation that Tenant fails to perform within the time required by this Lease, but such application by Landlord will not waive Landlord's other remedies nor be the exclusive remedy for Tenant's default. If Landlord applies the Security Deposit as set forth herein, Tenant will pay Landlord, on demand, all sums necessary to restore the Security Deposit to its original amount.

2.9 First Month's Rent. Tenant shall pay to Landlord its First Month's Rent in advance.

3. USE OF PREMISES.

3.1 Permitted Use. The Premises shall be used as a commercial cannabis facility as permitted by and in compliance with every current and future state, city and local rules, ordinances and regulations, as promulgated from time to time, and specifically allowing retail sales, delivery sales, cultivation, manufacturing, processing, packaging and wholesale sales of cannabis products and for all incidental purposes, and for any other purpose with Landlord's prior written consent, not to be unreasonably withheld (the "Permitted Use").

3.2 Restrictions On Use. In connection with the use of the Premises, Tenant shall (a) refrain from any use that would be reasonably offensive to owners or users of neighboring premises or that would tend to create a nuisance under then current applicable law; and (b) refrain from using the electrical system, sewer or plumbing beyond the point considered safe by a competent engineer or architect selected by Landlord. In addition, Tenant shall not, and shall take commercially reasonable steps to prohibit its employees, customers, agents or contractors from engaging in any activities on the Premises that promote or result in: (i) the distribution of marijuana to minors, (ii) the sale of marijuana to criminal enterprise gangs and cartels, (iii) the diversion of marijuana from the state of Rhode Island to any other state, (iv) use of the Premises as a cover or pretext for the trafficking of other illegal drugs or other illegal activity, (v) violence and the use of firearms in the cultivation and distribution of marijuana, (vi) drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use; (vii) the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands, and (viii) marijuana possession or use on federal property.

3.3 Compliance With Laws. Tenant will, at Tenant's expense, comply with all state, city and local rules, ordinances and regulations ("Laws") that, in respect of the use and occupancy of the Premises, including all "path of travel" requirements in the common areas of the Property, or the abatement of any nuisance in, on, or about the Premises, imposes any violation, order, or duty on Landlord or Tenant, including, without limitation, those arising from (a) Tenant's use of the Premises; (b) the manner of conduct of Tenant's business or operation of its installations, equipment, or other property therein; (c) any cause or condition created by or at the instance of Tenant; (d) any applicable fire-life safety requirements; or (e) the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 *et. seq.*), as may be amended from time to time, unless attributable to an act or omission prior to delivery of the Premises to Tenant with Landlord's Work substantially completed.

3.4 Storage. Tenant shall not store any materials, supplies, or equipment outside in any unapproved or unscreened area. If Tenant erects any visual barriers for storage areas, Landlord shall

have the right to approve the design and location. Trash and garbage receptacles shall be kept covered at all times.

3.5. Signs. Tenant will not erect, install, nor permit on the Premises any sign or other advertising device without first having obtained Landlord's written consent, which consent shall not be unreasonably withheld. Signage shall be subject to all local and municipal ordinances. Tenant will remove all signs and sign hardware upon termination of this Lease and restore the sign location to its former state, unless Landlord, in its sole option, elects to retain all or any portion of the signage.

4. REPAIRS AND MAINTENANCE.

4.1. Landlord's Obligations. Landlord shall perform: (a) structural repairs and maintenance and repairs necessitated by structural disrepair or defects; (b) repair and maintenance of the exterior walls, roof, gutters, downspouts, slabs, and the foundation of the Building; (c) ordinary repair and maintenance of Building systems (such as mechanical, electrical, HVAC, and plumbing) other than as provided in Section 4.2, sidewalks, driveways, curbs, walkways, and parking areas (including keeping all such areas free and clear of snow, ice, debris and obstructions of every kind), and all lawns, shrubbery, landscaping and grounds; and (d) any repairs or maintenance to the extent necessitated by the breach of this Lease by Landlord, or the gross negligence or intentional misconduct of Landlord, or its agents. The cost of the repairs described in this Section 4.1 (excepting Section 4.1(d)), however, shall be recoverable by Landlord as Operating Expenses to the extent provided in Section 2.4.

4.2. Tenant's Obligations. Tenant shall, at Tenant's sole cost and expense, maintain and keep the Premises, and all fixtures, improvements now located or hereafter placed thereon, in good repair, operating condition and working order, and in clean appearance and condition. Tenant shall, at Tenant's sole cost and expense, perform and be responsible for all repairs, maintenance, alterations and replacements to the Premises, including, by way of illustration and without limiting the generality of the foregoing, the following: (a) repair and maintenance of the floors, ceilings, doors, and windows in the Premises, and related hardware, light fixtures, switches, and all wiring and plumbing within the Premises; (c) repair and maintenance of all utilities servicing the Premises, including without limitation water, electrical, sewage, gas, fuel, heat, telephone, and cable/internet, from the point of entry to the Premises; (d) repair and maintenance of all fixtures and appliances, and all systems (such as mechanical, electrical, HVAC, and plumbing) exclusively serving the Premises;; (e) the replacement of all broken or cracked glass in the building of quality equal to that existing at the commencement of this Lease; and (g) repairs and alterations required under Tenant's obligation to comply with all laws and regulations as set forth in Section 3.3.

4.3 Reimbursement for Repairs Assumed. If Tenant fails or refuses to make repairs that are required to be made by Tenant under Section 4.2, Landlord may at its option make the repairs and charge the actual costs of repairs to Tenant. Such expenditures by Landlord shall be reimbursed by Tenant on demand together with interest at the legal rate from the date of expenditure by Landlord. Except in an emergency creating an immediate risk of personal injury or property damage, Landlord shall not perform repairs that are the obligation of Tenant and charge the Tenant for the resulting costs unless Landlord first provides written notice to Tenant outlining with reasonable particularity the repairs required at least thirty (30) days before work is commenced, and Tenant fails to complete such repairs within such thirty (30) day notice period.

5. ALTERATIONS.

5.1. Alterations Prohibited Without Landlord's Consent. Tenant shall make no alterations, additions, changes or improvements on or to the Premises of any kind without first obtaining Landlord's written consent, which shall not be unreasonably withheld.

5.2. Alterations With Landlord's Consent. In the event Tenant desires to alter, change or further improve any portion of the Premises, Tenant shall first obtain Landlord's written consent before proceeding to do or permit any work or to order any services or materials with respect to such work and Landlord may, in connection therewith, require Tenant to submit complete final plans, specifications, site plans, drawings, schedules, and cost estimates for the proposed alteration, change or improvement to Landlord for approval. As a condition of granting consent, among other conditions, Landlord may require Tenant to provide a construction and completion bond or other security in an amount and of a nature satisfactory to Landlord to cover the proposed costs of construction of the proposed alterations, changes or improvements. If Landlord consents in writing to any proposed alteration, change or improvement to the Premises, Tenant will (i) contract only with a licensed contractor for the performance of the alterations, changes and improvements, (ii) obtain all necessary governmental permits and approvals and deliver copies thereof to Landlord, and (iii) cause all alterations, changes and improvements to be completed in compliance with Landlord-approved plans and specifications, and in compliance with all applicable state and local laws and building codes, with all due diligence in a good and workmanlike manner, lien-free. No approval by Landlord shall be deemed a representation or warranty of Landlord that the approved items or conduct are otherwise lawful, safe, or appropriate, or relieve Tenant from strict compliance with all other provisions of this Lease and all applicable law.

5.3. Ownership and Removal of Alterations. Except for trade fixtures and except as otherwise agreed in a writing between the parties, all alterations, changes and improvements made or installed on the Premises by Tenant shall become part of the Premises and the property of Landlord, with the title vested in Landlord, when installed. Alterations, changes and improvements made or installed by Tenant shall, at Landlord's option, be removed by Tenant upon expiration or earlier termination of this Lease and the Premises restored to good condition and repair, unless the applicable Landlord's consent specifically provides otherwise.

5.4. No Liens. Tenant agrees to pay, when due, all sums for labor, services, materials, supplies, utilities, furnishings, machinery, or equipment that have been provided or ordered with Tenant's consent to the Premises, and to keep the Premises free from any liens. Landlord shall have the right to post and keep posted on the Premises any notices which it deems necessary for protection from such liens. If any lien is filed against the Premises that Tenant wishes to protest, then Tenant will immediately notify Landlord of the basis for its protest and must deposit cash with Landlord, or procure a bond acceptable to Landlord, in an amount sufficient to cover the cost of removing the lien from the Premises. Failure to remove the lien or furnish the cash or a bond acceptable to Landlord within ten (10) days will constitute an Event of Default under this Lease. If Tenant fails to discharge any lien, Landlord may at its option do so and collect the cost as Additional Rent. Any amount so added as Additional Rent shall bear interest at the legal rate from the date expended by Landlord and shall be payable on demand. Such action by Landlord shall not constitute a waiver of any right or remedy which Landlord may have on account of Tenant's default.

6. RELEASE AND INDEMNITY.

6.1. Release. As material consideration to Landlord, Tenant agrees that Landlord shall not be liable to Tenant for any damage to Tenant or Tenant's property from any cause except to the extent such damage is a direct result of a grossly negligent or intentional act by Landlord.

6.2. Tenant Indemnity. Tenant agrees to defend, indemnify, and hold harmless Landlord, and Landlord's shareholders, members, managers, directors, officers, employees and agents, from and against any and all actual or alleged claims, damages, expenses, costs, fees (including but not limited to attorney, accountant, paralegal, expert, and escrow fees), fines, liabilities, losses, penalties, proceedings, and/or suits (collectively "Costs") that may be imposed on or claimed against Landlord, in whole or in part, directly or indirectly, arising from or in any way connected with: (a) any act or omission on the Premises by Tenant or its Representatives; (b) any use, occupation, management, or control of the Premises by Tenant, whether or not due to Tenant's own act or omission; (c) any condition created in or about the Premises by Tenant or its Representatives, including any accident, injury, or damage occurring on or about the Premises during this Lease as a result of Tenant's use thereof or (d) any breach of this Lease by Tenant.

6.3. Landlord Indemnity. Landlord agrees to defend, indemnify, and hold harmless Tenant, and Tenant's shareholders, members, managers, directors, officers, employees and agents, from and against any and all actual or alleged Costs that may be imposed on or claimed against Tenant, in whole or in part, directly or indirectly, arising from or in any way connected with: (a) any breach of this Lease by Landlord; or (b) the gross negligence or intentional misconduct of Landlord or its Representatives.

"Representatives" of a party, includes all of such party's partners, officers, directors, shareholders, members, managers, agents, employees, invitees, and contractors. The obligations of Tenant under Section 6 survive the termination of this Lease.

The obligations under Section 6 survive the termination of this Lease.

7. TENANT'S INSURANCE REQUIREMENTS.

7.1. Insurance Amounts. The insurance requirements set forth in this Section 7 do not in any way limit the amount or scope of liability of Tenant under this Lease. The amounts listed indicate only the minimum amounts of insurance coverage that Landlord is willing to accept to help ensure full performance of all terms and conditions of this Lease. All insurance required of Tenant by this Lease must meet all the minimum requirements set forth in this Section 7.

7.2. Certificates; Notice of Cancellation. On or before the commencement of this Lease, Tenant will provide Landlord with certificates of insurance establishing the existence of all insurance policies required under this Lease. Thereafter, Landlord must receive notice of the expiration or renewal of any policy at least thirty (30) days before the expiration or cancellation of any insurance policy. No insurance policy may be canceled, revised, terminated, or allowed to lapse without at least thirty (30) days prior written notice to Landlord. All insurance required under this Lease must be maintained without any lapse in coverage continuously for the duration of this Lease and during Tenant's occupancy of the Premises. Cancellation of insurance without Landlord's consent will be deemed an immediate Event of Default under this Lease. .

7.3. Additional Insureds. Landlord and Landlord's mortgagees will each be named additional insured in each required insurance policy and, for purposes of damage to the Premises, as loss payees. The insurance will not be invalidated by any act, neglect, or breach of contract by Tenant. On or before the commencement of this Lease, Tenant must provide Landlord with a policy endorsement naming Landlord and Landlord's mortgagees as additional insureds as required by this Lease.

7.4. Primary Coverage and Deductible. The required insurance policies will provide that the coverage is primary, and will not seek any contribution from any insurance or self-insurance

carried by Landlord. The required insurance policies must cover the risks and include only prudent deductible amounts as reasonably determined by Landlord from time to time. All policies of insurance must be issued by insurers with a Best's rating no less than B+ and are authorized to do business in the State of Rhode Island and must be in a form reasonably satisfactory from time to time to Landlord.

7.5. Required Insurance. At all times during this Lease, Tenant will, at its sole cost and expense, in addition to such insurance that may be required by Landlord's mortgagee, provide and maintain the following types of coverage:

7.5.1 Commercial General Liability Insurance. Tenant will maintain a commercial general liability policy, on an occurrence basis (including coverage for broad form contractual liability and any personal injury liability) for the protection of Tenant, and insuring Tenant and Landlord and Landlord's mortgagees, against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the Premises or occasioned by reason of the operations or actions of Tenant. All such coverage must name Landlord and Landlord's mortgagees additional insureds. All such coverage must be in an amount not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage for all coverage specified herein.

7.5.2 Umbrella Policy. Tenant will also maintain an umbrella commercial general liability policy, on an occurrence basis (including coverage for broad form contractual liability, sudden and accidental spill coverage on land and water, and any personal injury liability) for the protection of Tenant, and insuring Tenant and Landlord and Landlord's mortgagees, against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, and occurring on or in any way related to the Premises or occasioned by reason of the operations or actions of Tenant. All such coverage must name Landlord and Landlord's mortgagees additional insureds. All such coverage must be in an amount not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage for all coverage specified herein.

7.5.3 Personal Property Insurance. Tenant will be responsible to insure all of Tenant's own personal property, improvements, betterments and trade fixtures, which items will not be covered by Landlord's insurance and for which Landlord and its insurance carriers will have no liability. Tenant will maintain (a) special form type property insurance coverage on all Tenant's furnishings, leasehold improvements, fixtures, inventory, and equipment located on the Premises, covering full (100%) replacement value, and (b) insurance on all plate glass on the Premises, covering replacement cost. The proceeds of such insurance, as long as this Lease remains in effect, will be used to repair or replace the leasehold improvements, fixtures, inventory, equipment, and plate glass so insured.

7.5.4 Vehicle Liability Insurance. Tenant will maintain an occurrence form of commercial vehicle liability policy insuring Tenant and Landlord against liability for damage because of bodily injury, death, or damage to property, including loss of use thereof, and occurring or in any way related to the use, loading, or unloading of Tenant's owned, hired, and non-owned vehicles on and around the Premises. Coverage must be in an amount of not less than \$1,000,000 combined single limit per occurrence.

7.5.5 Workers' Compensation Insurance. Tenant agrees to keep and maintain, and to cause Tenant's agents, contractors, and subcontractors to keep and maintain, workers' compensation insurance and other forms of insurance as may from time to time be required by law or may otherwise be necessary to protect Landlord and the Premises from claims of any person who may at any time work on the Premises, whether as a servant, agent, or employee of Tenant or otherwise. Such insurance must be maintained at the expense of Tenant or Tenant's agents, contractors or subcontractors and not at the expense of Landlord.

7.6. Waiver of Subrogation. Each property insurance policy obtained by each party that covers or applies to the Premises, fixtures, or equipment located in or on the Premises, must include an appropriate clause or endorsement that waives the insurance company's rights to make any subrogation claim and that permits the insured, before any loss, to agree with the other party to this Lease to waive any claim it might have against the other party without invalidating the coverage under the insurance policy. The waiver of subrogation and permission for waiver of any claim must extend to the parties and their respective agents and employees. Each party releases the other and its agents and employees in respect of any claim (including a claim for negligence) that it might otherwise have against the other party or its agents or employees for loss, damage, or other casualty (including rental value or business interest, as the case may be) occurring during the term of this Lease and normally covered under a special form property insurance policy in the form normally used in respect of similar property in Providence, Rhode Island.

8. LANDLORD'S INSURANCE.

8.1 Property Damage Insurance. Landlord will obtain and keep in force a policy or policies of insurance in the name of Landlord, with loss payable to Landlord and to any lender insuring loss or damage to the building shells and Landlord-owned improvements located on the Premises. The amount of the insurance shall be equal to the full insurable replacement cost of Landlord-owned improvements as determined by Landlord in its sole discretion, excluding Tenant's improvements, as the same will exist from time to time. Tenant-owned or installed improvements, alterations, utility installations, trade fixtures, and personal property will all be insured by Tenant as provided in Section 7.5.3 above. All insurance proceeds payable under Landlord's property insurance shall be payable solely to Landlord and Tenant shall have no interest therein. Tenant shall reimburse Landlord for all premiums and other charges incurred by Landlord in purchasing and maintaining the insurance required under this Section 8.1, which shall be paid to Landlord pursuant to Section 2.5, above.

9. TAXES; UTILITIES.

9.1. Real Estate Taxes. Tenant shall pay Real Estate Taxes as delineated in Section 2.5, above. "Real Estate Taxes" shall include real property taxes and assessments of any kind related to the Property and the Building, ad valorem taxes, special assessments for prior periods due to change in land use, general and special assessments, parking surcharges, any tax or excise on rents, any tax or charge for governmental services (such as street maintenance or police and fire protection), and any tax or charge which replaces any of such above-described Real Estate Taxes and any state or federal tax or charge which replaces or is substituted for or is levied, in whole or in part, in lieu of any of such above-described Real Estate Taxes; provided, however, that Real Estate Taxes shall not be deemed to include any franchise, estate, inheritance or general income tax, except for any state or federal tax or charge which replaces or is substituted for or is levied, in whole or in part, in lieu of any of such above-described Real Estate Taxes, regardless of the form which such taxes may take, whether in the form of real estate taxes or otherwise.

9.2. Personal Property and Other Taxes. Tenant shall pay as due all taxes and assessments (real and personal) levied, imposed on any trade fixtures, furnishings, machinery,

equipment and other personal property placed by Tenant in or about the Premises and furnish Landlord with satisfactory evidence that such taxes have been paid. Tenant shall also pay as due any and all taxes and assessments levied or imposed on marijuana or other products produced by Tenant.

9.3. Contest of Taxes. Tenant shall be permitted to contest the amount of any tax or assessment as long as such contest is conducted in a manner that does not cause any risk that Landlord's interest in the Premises will be foreclosed for nonpayment. Landlord shall cooperate in any reasonable manner with such contest by Tenant.

9.4. Utilities. Tenant shall pay when due all charges for services and utilities incurred in connection with the use, occupancy, operation, and maintenance of the Premises, including but not limited to charges for fuel, water, storm water, gas, heat, electricity, sewage disposal, power, refrigeration, air conditioning, telephone, and janitorial services, together with any taxes thereon. Landlord will not be responsible for any interruption of any utility or other services provided to the Premises caused by fire or other casualty, weather, vandalism, the making or repairs or improvements on the Premises or adjacent premises or any other cause. Landlord shall have the right but not obligation to install sub meters for some or all of the metered utilities. Upon receipt of a sub meter invoice, Tenant will pay the invoiced amount to Landlord.

10. ENVIRONMENTAL OBLIGATIONS OF TENANT.

10.1. Definitions. The term "Environmental Law" shall mean any federal, state or local statute, regulation or ordinance or any judicial or other governmental order pertaining to the protection of health, safety or the environment. The term "Hazardous Substance" shall mean any hazardous, toxic, infectious or radioactive substance, waste and material as defined or listed by any Environmental Law and shall include, without limitation, petroleum oil and its fractions.

10.2. Use of Hazardous Substances. Tenant shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of or otherwise released on or under the Premises. Tenant may use, store and sell on the Premises only those Hazardous Substances typically used, stored and sold in the prudent and safe operation of the business permitted by Section 3.1 of this Lease, which shall include, but not be limited to the use of Butane, Butane enriched cannabis and Butane enriched waste material, but in all events in accordance with applicable Laws. Tenant may store such Hazardous Substance on the Premises, but only in quantities necessary to satisfy Tenant's reasonably anticipated needs. Tenant shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling and storage of Hazardous Substances and shall take all practicable measures to minimize the quantity and toxicity of Hazardous Substances use, handled or stored on the Premises.

10.3. Notices. Tenant shall immediately notify Landlord upon becoming aware of the following: (a) any spill, leak, disposal or other release of a Hazardous Substance on, under or adjacent to the Premises; (b) any notice or communication from a governmental agency or any other person relating to any Hazardous Substance on, under or adjacent to the Premises; or (c) any violation of any Environmental Law with respect to the Premises or Tenant's activities on or in connection with the Premises.

10.4. Spills and Releases. In the event of a spill, leak, disposal or other release of a Hazardous Substance on or under the Premises caused by Tenant or any of its contractors, agents or employees or invitees, or the suspicion or threat of the same or if Landlord reasonably determines that there are Hazardous Substances present at the Premises in violation of any applicable Law, Tenant shall (i) immediately undertake all emergency response necessary to contain, cleanup and remove the released Hazardous Substance, (ii) promptly undertake all investigatory, remedial, removal and other

response action necessary or appropriate to ensure that any Hazardous Substance contamination is eliminated to Landlord's reasonable satisfaction and in accordance with all applicable Laws, and (iii) provide Landlord copies of all correspondence with any governmental agency regarding the release (or threatened or suspected release) or the response action, a detailed report documenting all such response action, and a certification that any contamination has been eliminated. All such response action shall be performed, all such reports shall be prepared and all such certifications shall be made by an environmental consultant reasonably acceptable to Landlord. Tenant's obligations hereunder shall survive the termination of this Lease.

10.5. Condition Upon Termination. Upon expiration of this Lease or sooner termination of this lease for any reason, Tenant shall remove all Hazardous Substances and facilities used for the storage or handling of Hazardous Substances from the Premises and restore the affected areas by repairing any damage caused by the installation, or removal of the facilities. Following such removal, Tenant shall certify in writing to Landlord that all such removal is complete.

10.6. Assignment and Subletting. Notwithstanding the provisions of Section 13 of this Lease, it shall not be unreasonable for Landlord to withhold its consent to any assignment, sublease or other transfer of the Tenant's interest in this lease if a proposed transfer's anticipated use of the Premises involves the generation, storage, use, sale, treatment, release or disposal of any Hazardous Substance in violation of applicable law.

10.7. Indemnity. Tenant shall indemnify, defend and hold harmless Landlord, and Landlord's shareholders, members, managers, directors, officers, employees and agents and any persons holding a security interest in the Premises, and the respective successors and assigns of each of them from and against any and all claims, demands, liabilities, damages, fines, losses, costs (including without limitation the cost of any investigation, remedial, removal or other response action required by Environmental Law) and expenses (including without limitation attorneys' fees and expert fees in connection with any trial, appeal, petition for review or administrative proceeding) arising out of or in any way relating to the use, treatment, storage, generation, transport, release, leak, spill, disposal or other handling of Hazardous Substances on the Premises by Tenant or any of its contractors, agent or employees or invitees or Tenant's failure to remediate any Hazardous Substances as required under this Lease. Tenant's obligations under this section shall survive the expiration or termination of this Lease for any reason. Landlord's rights under this section are in addition to and not in lieu of any other rights or remedies to which Landlord may be entitled under this Lease or otherwise.

11. TENANT'S DEFAULT.

11.1. Events of Default. Each of the following shall constitute an "Event of Default" by Tenant under this Lease:

11.1.1 Payment Default. Failure of Tenant to pay any Rent, or other amount, due under this Lease within five (5) days after receiving written notice from Landlord that it is due; provided, however, that Landlord shall not be required to provide such notice more than two (2) times in any twelve (12) month period. Thereafter, failure to pay Rent by the due date will be deemed an automatic Event of Default for which no additional notice or cure period need be granted.

11.1.2 Unauthorized Transfer. Tenant makes any transfer of Tenant's interest in this Lease, including any assignment or subletting of it, without Landlord's prior written consent as required by Section 13.1.

11.1.3 Default In Other Terms or Covenants. Failure of Tenant to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of Rent or other amounts due under this Lease) within thirty (30) days after written notice by Landlord specifying the nature of the default with reasonable particularity (except in the case of an emergency, in which event Landlord shall only be required to give such notice as is reasonable under the circumstances). If the default is of such a nature that it cannot be completely remedied within the thirty (30) day period, Tenant will be in compliance with this provision if Tenant begins correction of the default within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable, but in no event later than ninety (90) days after the date of Landlord's notice of default.

11.1.4 Insolvency Defaults. (a) Dissolution, termination of existence, insolvency on a balance-sheet basis, or business failure of Tenant; (b) Tenant's commencement of a voluntary case under the federal bankruptcy laws or under any other federal or state law relating to insolvency or debtor's relief; (c) the entry of a decree or order for relief against Tenant in an involuntary case under the federal bankruptcy laws or under any other applicable federal or state law relating to insolvency or debtor's relief; (d) the appointment of or the consent by Tenant to the appointment of a receiver, trustee, or custodian of Tenant or of any of Tenant's property; (e) an assignment for the benefit of creditors by Tenant; (f) Tenant's failure generally to pay its debts as they become due; (g) Tenant's making or suffering a fraudulent transfer under applicable federal or state law; (h) Tenant's concealment of any of its property in fraud of creditors; or (i) the imposition of a lien through legal proceedings or distraint upon any of the property of Tenant which is not discharged or bonded within a reasonable period of time..

11.2. Remedies On Default. Upon any Event of Default, Landlord may exercise any one or more of the following remedies, or any other remedy available under applicable law:

11.2.1 Right To Terminate Lease. If an Event of Default occurs, Landlord, at Landlord's sole option, may terminate this Lease by written notice to Tenant. If the Premises are abandoned by Tenant in connection with a default, termination may be automatic and without notice, at Landlord's sole option.

11.2.2 Termination and Damages. If this Lease is terminated, Landlord will be entitled to recover promptly, without waiting until the due date, any past due Rent together with future Rent that would otherwise become due and owing up to and through the date fixed for expiration of the Term; any damages suffered by Landlord as a result of the Event of Default, including without limitation all obligations of Tenant; and the reasonable costs of reentry and reletting the Premises, including without limitation, the cost of any cleanup, refurbishing, removal of Tenant's personal property (including fixtures), or any other expense occasioned by Tenant's failure to quit the Premises upon termination and to leave them in the condition required at the expiration of this Lease, any remodeling costs, attorney fees, court costs, broker commissions, and advertising costs. Landlord will make reasonable efforts to mitigate damages, including any mitigation required by California law at the time of termination.

11.2.3 Reentry After Termination. If the Lease is terminated or abandoned for any reason, Tenant's liability for damages will survive the termination, and the rights and obligations of the parties shall include the following:

(a) Tenant will vacate the Premises immediately, remove any personal property of Tenant, including any fixtures that Tenant is required to remove at the end of the Term, perform any cleanup, alterations, or other work required to leave the Premises in the condition required at the end of the term, and deliver all keys to Landlord.

(b) Landlord may reenter, take possession of the Premises, and remove any persons or personal property by legal action or by self-help with the use of reasonable force and without liability for damages.

11.2.4 Reletting. Following termination, reentry, or abandonment, Landlord may relet the Premises and in that connection may, at Tenant's sole cost:

(a) Make any suitable alterations or refurbish the Premises, or both, or change the character or use of the Premises, but Landlord will not be required to relet for any use or purpose (other than that specified in the Lease) that Landlord may reasonably consider injurious to the Premises, or to any tenant that Landlord may reasonably consider objectionable.

(b) Relet all or part of the Premises, alone or in conjunction with other properties, for a term longer or shorter than the Term, on any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession.

11.2.5 Continuation after Default. If an Event of Default exists under this Lease, Landlord shall also have the remedy described in California Civil Code Section 1951.4 (Landlord may continue this Lease in effect after Tenant has breached this Lease and recover rent as it becomes due; provided, however that Tenant shall have the right to sublet or assign this Lease, subject to the provisions of this Lease). Acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon initiative of Landlord to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession.

11.2.7 Equitable Relief. Landlord may seek injunctive relief or an order of specific performance from any court of competent jurisdiction requiring that Tenant perform its obligations under this Lease.

11.3. No Waiver of Default. No failure by Landlord to insist on the strict performance of any agreement, term, covenant, or condition of this Lease or to exercise any right or remedy consequent upon a breach, and no acceptance of partial Rent during the continuance of any such breach, will constitute a waiver of the breach or of the agreement, term, covenant, or condition. No agreement, term, covenant, or condition to be performed or complied with by Tenant, and no breach by Tenant, will be waived, altered, or modified except by a written instrument executed by Landlord. No waiver of any breach will affect or alter this Lease, but each and every agreement, term, covenant, and condition of this Lease will continue in full force and effect with respect to any other then-existing or subsequent breach.

11.4. Termination, Surrender and Abandonment. No act or conduct of Landlord, including, without limitation, efforts to re-let the Premises, an action in unlawful detainer or service of notice upon Tenant or surrender of possession by Tenant pursuant to such notice or action, shall extinguish the liability of Tenant to pay rent or other sums due hereunder or terminate this Lease, unless Landlord notifies Tenant in writing of Landlord's election to terminate this Lease. No act or

conduct of Landlord, including the acceptance of the keys to the Premises, other than a written acknowledgment of acceptance of surrender signed by Landlord, shall be deemed to be or constitute an acceptance of the surrender of the Premises by Tenant prior to the expiration of the Lease term. The surrender of this Lease by Tenant, voluntarily or otherwise, shall, at Landlord's option, operate as an assignment to Landlord of any and all existing assignments and subleases, or Landlord may elect to terminate any or all of such assignments and subleases by notifying the assignees and sublessees of its election within fifteen (15) days after such surrender.

11.5 Remedies Cumulative and Nonexclusive. Each right and remedy of Landlord contained in this Lease will be cumulative and will be in addition to every other right or remedy in this Lease, or existing at law or in equity, including without limitation suits for injunctive relief and specific performance. The exercise or beginning of the exercise by Landlord of any such rights or remedies will not preclude the simultaneous or later exercise by Landlord of any other such rights or remedies. All such rights and remedies are nonexclusive.

11.6 Curing Tenant's Default. If Tenant fails to perform any of Tenant's obligations under this Lease, Landlord, without waiving the failure, may (but will not be obligated to) perform the same for the account of and at the expense of Tenant (using Tenant's Security Deposit or Landlord's own funds, when required), after the expiration of any applicable cure period set forth in Section 11.1 or sooner, in the case of an emergency. Landlord will not be liable to Tenant for any claim for damages resulting from such action by Landlord. Tenant agrees to reimburse Landlord, upon demand, for any amounts Landlord spends in curing Tenant's Default. Any sums to be so reimbursed will bear interest at the legal rate from the date of expenditure by Landlord.

12. LANDLORD'S DEFAULT.

12.1. Notice of Breach. Landlord will not be deemed in breach of this Lease unless Landlord fails within a reasonable time to perform an obligation required to be performed by Landlord. For purposes of this Section 12.1, a reasonable time will in no event be less than thirty (30) days after receipt by Landlord, and any lender whose name and address have been furnished Tenant in writing for such purpose, of written notice specifying what obligation of Landlord has not been performed; provided, however, a Landlord Event of Default will not occur if Landlord's performance is commenced within the thirty-day period and thereafter diligently pursued to completion.

12.2. No Self-Help. In the event that neither Landlord nor any lender of Landlord cures any breach within the applicable cure period, Tenant will be entitled to seek any of the remedies provided in Section 12.3, but will not be entitled to take self-help action except as may otherwise be provided in this Agreement.

12.3. Remedies In the Event of a Landlord Default. If an uncured Event of Default is committed by Landlord, Tenant will be entitled to any remedies available at law or in equity for breach of lease; however, damages will be limited to actual damages, excluding consequential and punitive damages and damages will also be limited to Landlord's interest in the Property.

13. ASSIGNMENT AND ESTOPPELS.

13.1. Prohibition on Transfers. Tenant shall not transfer, assign, sublease, mortgage, pledge, hypothecate or encumber the Premises, or Tenant's leasehold estate, or sublet any portion of the Premises, or license the use of any portion thereof, or otherwise transfer any interest in the Premises or Tenant (whether voluntary, involuntary, by operation of law or otherwise), without the prior written consent of Landlord in each instance, which consent may not be unreasonably withheld, delayed, or

conditioned. This Prohibition on subletting shall not apply to Tenant's officers, shareholders, directors, members, affiliates, principles, subsidiaries, or any other related entity or party.

13.2. Involuntary Assignment in Bankruptcy. If this Lease is assigned to any person or entity pursuant to the provisions of the Bankruptcy Code, 11 U.S.C. Section 101, et seq. (the "Bankruptcy Code") any and all moneys or other consideration payable or otherwise to be delivered to Landlord shall be and remain the exclusive property of Landlord and shall not constitute property of the Tenant or of the estate of Tenant within the meaning of the Bankruptcy Code. Any and all moneys or other considerations constituting Landlord's property shall be held in trust for the benefit of Landlord and be promptly paid or delivered to Landlord. Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code, shall be deemed without further act or deed to assume all of the obligations arising under this Lease. Any such assignee shall upon demand execute and deliver to Landlord an instrument confirming such assumption.

13.3. Effect of Violation. Any attempted transfer in violation of the requirements of this Section 13 shall be null and void and, at the option of Landlord, will cause termination of this Lease.

13.4. Effect of Consent. Consent by Landlord to one transfer shall not constitute a consent to any further transfer. In the absence of an express written agreement executed by Landlord releasing Tenant, no transfer by Tenant shall act as a release of Tenant or any personal guarantor of this Lease, who shall remain primarily liable under this Lease, and any subsequent amendment of this Lease or forbearance by Landlord shall not release the Tenant or any personal guarantor from such liability.

13.5. Estoppel Certificate. Tenant agrees to execute and deliver to Landlord, at any time and within ten (10) days after written request, a statement certifying, among other things, to the extent true at such time: (a) that this Lease is unmodified and is in full force and effect (or if there have been modifications, stating the modifications); (b) the dates to which Rent has been paid; (c) whether the Landlord is in default in performance of any of its obligations under this Lease and, if so, specifying the nature of each such default; and (d) whether any event has occurred that, with the giving of notice, the passage of time, or both, would constitute a default and, if so, specifying the nature of each such event. Tenant will also include any other information concerning this Lease as is reasonably requested by Landlord. Tenant agrees that any statement delivered under this Section will be deemed a representation and warranty by Tenant that may be relied on by Landlord and by its potential or actual purchasers and lenders, regardless of independent investigation. If Tenant fails to provide the statement within ten (10) days after the written request therefor without good faith objection, then Tenant will be deemed to have given the statement as presented and will be deemed to have admitted the accuracy of any information contained in the request for the statement and may, at Landlord's sole election, be an immediate Event of Default if Tenant fails to deliver any such Estoppel Certificate within five (5) days after written notice from Landlord that Tenant has failed to deliver such Estoppel Certificate as required hereunder.

14. CONDEMNATION. If the Premises or any interest therein is taken as a result of the exercise of the right of eminent domain or under threat thereof (a "Taking"), this Lease will terminate as to the portion that may be taken. If Tenant determines that the Taking renders the Premises unsuitable for Tenant's use, then Tenant may terminate this Lease by giving thirty (30) days' prior written notice to the other party, and the termination will be effective on the date possession of the Premises is delivered to the condemning authority. Any and all awards payable by the condemning authority in connection with a taking will be the sole property of Landlord; provided, however, nothing contained herein will prevent Tenant from prosecuting a separate claim for the value of its interest, as long as that award does not diminish the award that Landlord would otherwise be entitled to as a result of the Taking.

15. DAMAGE OR DESTRUCTION. In the event of partial or full damage or destruction to the Premises, the following will apply:

15.1. Definitions. "Premises Partial Damage" shall herein mean damage or destruction to the Premises to the extent that the cost of repair is less than fifty percent (50%) of the then replacement cost of the Premises. "Premises Total Destruction" shall herein mean damage or destruction to the Premises to the extent that the cost of repair is fifty percent (50%) or more of the then replacement cost of the Premises. "Insured Loss" shall herein mean damage or destruction which was caused by an event required to be covered by the insurance described in Section 7 above.

15.2. Partial Damage - Insured Loss. Subject to the provisions of Sections 15.5 and 15.6, if at any time during the term of this Lease there is damage which is an Insured Loss and which falls into the classification of Premises Partial Damage, then Landlord shall, at Landlord's expense, repair such damage, but not Tenant's fixtures, equipment or Tenant improvements, as soon as reasonably possible and this Lease shall continue in full force and effect. Notwithstanding the above, if the insurance proceeds received by Landlord are not sufficient to affect such repair, Landlord will have no obligation to pay for the shortage in insurance proceeds or to fully repair the damage and restore the Premises, unless Tenant provides Landlord with the funds to cover the same within twenty (20) days following receipt of written notice of the shortage and request therefor. If Landlord receives the funds within such twenty (20) day period, Landlord will complete the repairs as soon as reasonably possible and this Lease shall remain in full force and effect. If the funds are not received within such twenty (20) day period, Landlord may nevertheless elect by written notice to Tenant within ten (10) days thereafter, to: (i) make such restoration and repair as is commercially reasonable with Landlord paying any shortage in proceeds, in which case this Lease will remain in full force and effect, or (ii) have this Lease terminate thirty (30) days thereafter. Tenant shall in no event have any right to reimbursement for any amounts contributed by Tenant to repair any such damage. Tenant shall be responsible to make any repairs to any of its own improvements, fixtures or equipment.

15.3. Partial Damage - Uninsured Loss. Subject to the provisions of Sections 15.5 and 15.6, if at any time during the term of this Lease there is damage which is not an Insured Loss and which falls within the classification of Premises Partial Damage, unless caused by a negligent or willful act of Tenant (in which event Tenant shall make the repairs at Tenant's expense), Landlord may at Landlord's option either (i) repair such damage as soon as reasonably possible at Landlord's expense, in which event this Lease shall continue in full force and effect, or (ii) give written notice to Tenant within thirty (30) days after the date of determination that such damage is not an Insured Loss of Landlord's intention to cancel and terminate this Lease. Tenant shall have the right within ten (10) days after the receipt of such notice to give written notice to Landlord of Tenant's intention to repair such damage at Tenant's expense, without reimbursement from Landlord, in which event this Lease shall continue in full force and effect, and Tenant shall pay for the cost of all such repairs. If Tenant does not give such notice within such ten (10) day period this Lease shall be cancelled and terminated as of the date of the occurrence of such damage.

15.4. Total Destruction. If at any time during the term of this Lease there is damage, whether or not an Insured Loss (including destruction required by any authorized public authority), which falls into the classification of Premises Total Destruction, this Lease shall automatically terminate as of the date of such total destruction, unless such damage is caused by Tenant or Tenant's use of the Premises. In such event, Tenant shall pay all costs necessary to repair the Premises to the condition existing immediately preceding such damage.

15.5. Damage Near End of Term. If at any time during the last six (6) months of the term of this Lease there is damage, resulting in not Insured Loss, in excess of One Hundred Thousand Dollars (\$100,000), which otherwise falls within the classification of Premises Partial Damage,

Landlord may, at Landlord's option, elect to cancel and terminate this Lease by giving written notice to Tenant within thirty (30) days after the date of occurrence of such damage.

15.6. Abatement of Rent. In the event of damage described in Sections 15.2 or 15.3, and Landlord or Tenant repairs or restores the Premises pursuant to the provisions of this Section 15, the rent payable hereunder for the period during which such damage, repair or restoration continues shall be abated in proportion to the degree to which Tenant's use of the Premises is impaired, except that there shall be no rent abatement where the damage occurred as a result of the fault of Tenant. Except for abatement of rent, if any, Tenant shall have no claim against Landlord for any damage suffered by reason of any such damage, destruction, repair or restoration.

15.7. Waiver. Landlord and Tenant waive the provisions of any statutes which relate to termination of leases when leased property is destroyed and agree that such event shall be governed by the terms of this Lease.

16. SURRENDER AT EXPIRATION.

16.1. Condition of Premises. Upon expiration of the term of this Lease or earlier termination on account of default, Tenant shall deliver all keys to Landlord and surrender the Premises in commercially reasonable condition, considering normal wear and tear arising from the starting condition of the Premises and the duration of the lease period, and broom clean. All repairs for which Tenant is responsible shall be completed prior to surrender. Prior to expiration of the Term of this Lease, or within 10 days of other termination of this Lease, Tenant shall remove all furnishings, furniture, and equipment that remain its personal property. If Tenant fails to do so, this shall be an abandonment of the property, and Landlord may retain the property as provided by applicable law. Tenant shall be liable to Landlord for any cost of removal, transportation to storage, and storage, with interest at the legal rate on all such expenses from the date of expenditure by Landlord.

16.2. Fixtures. All fixtures placed upon the Premises during the Term of this Lease, except Tenant's trade fixtures or any other fixtures agreed by the parties to be removed at expiration or termination of the Lease at the time of or prior to placement, shall, at Landlord's option, become the property of Landlord. If Landlord so elects, Tenant shall remove any or all fixtures that would otherwise remain the property of Landlord, and shall repair any physical damage resulting from the removal. If Tenant fails to remove such fixtures, Landlord may do so and charge the cost to Tenant with interest at the legal rate from the date of expenditure by Landlord.

16.3. Holdover. Tenant has no holdover rights. If Tenant does not vacate the Premises at the time required, Landlord shall have the option to treat Tenant as a tenant from month to month, subject to all of the provisions of this Lease, except the provisions for term and at a rental rate equal to one hundred fifty percent (150%) of the rent last paid by Tenant during the original term, or to eject Tenant from the Premises and recover damages caused by wrongful holdover. Failure of Tenant to remove fixtures, furniture, furnishings, equipment and other personal property that Tenant is required to remove under this Lease shall constitute a failure to vacate to which this Section shall apply if the property not removed will substantially interfere with occupancy of the Premises by another tenant or with occupancy by Landlord for any purpose including preparation for a new tenant.

17. SUBORDINATION, NOTICE TO SUPERIOR LESSORS AND MORTGAGEES.

17.1. Subordination. Any mortgage, deed of trust, or ground lease to which this Lease is, at the time referred to, subject and subordinate is called a "Superior Mortgage," and the holder of a Superior Mortgage, or its successor in interest, at the time referred to, is called a "Superior Mortgagee." This Lease, and all rights of Tenant, will be subject and subordinate to all mortgages that may now or

hereafter affect the Premises, whether or not the mortgages also cover other lands and buildings, to each and every advance under such mortgages, and to all renewals, modifications, replacements, and extensions of such mortgages. This Section is self-operative, and no further instrument of subordination will be required. In confirmation of the subordination, Tenant will promptly execute, acknowledge, and deliver any instrument that Landlord or any Superior Mortgagee may reasonably request to evidence the subordination.

17.2. Notice. If any act or omission of Landlord would give Tenant the right, immediately or after lapse of a period of time, to cancel or terminate this Lease, or to claim a partial or total eviction, Tenant will not exercise the right: (i) until it has given written notice of the act or omission to Landlord and each Superior Mortgagee whose name and address previously has been furnished to Tenant; and (ii) until a reasonable period of time for the parties to cure the condition has passed, which, in any event shall not be less than sixty (60) days after receipt of such notice by each Superior Mortgagee.

17.3. Attornment. For the purposes of this Section, the term "Successor Landlord" means the Superior Mortgagee if the same succeeds to the rights of Landlord under this Lease, whether through possession or foreclosure action or delivery of a new lease or deed, or any third party that succeeds to the rights of Landlord under this Lease by virtue of having purchased the Premises at a foreclosure sale. The Successor Landlord will accept Tenant's attornment, assume Landlord's obligations under the Lease, and will agree in writing not to disturb Tenant's quiet possession of the Premises. Tenant will attorn to and recognize the Successor Landlord as Tenant's Landlord under this Lease, and Tenant and the Successor Landlord will promptly execute and deliver an instrument reasonably acceptable to the parties to evidence the attornment and non-disturbance. Upon the attornment, this Lease will continue in full force and effect as a direct lease between the Successor Landlord and Tenant on all of the terms, conditions, and covenants as are set forth in this Lease.

18. LICENSING PROVISIONS

18.1. Termination Right. In the event that Tenant is unable to obtain applicable state or local licensing necessary to utilize the Premises for its permitted use ("Applicable Licensing"), Tenant loses Applicable Licensing (other than for reason of nonpayment of applicable costs or fees), or any partial revocation or limitation is placed on Tenant regarding the Applicable Licensing resulting in a substantial impairment of the use of the Premises for its permitted use, then Tenant shall be permitted to terminate this Lease on thirty (30) days written notice to Landlord without liability of any kind to Landlord excepting to pay to Landlord all Rent (and other costs and expenses) then due and owing for time periods on and prior to the effective date of termination as well as the unamortized cost of Landlord's Work (amortized over the initial Term).

18.2. Licensure Suspension or Revocation. Notwithstanding anything in this Lease to the contrary, in the event of any suspension, revocation, or other like action taken with respect to the Applicable Licensing of Tenant, Tenant shall not be in breach of this Lease for violation of applicable law merely by possession of the Premises, or merely by maintaining in the Premises is inventory, materials, products, or trade fixtures unless Tenant has not removed the same from the Premises within ten (10) days after a final nonappealable decision has been rendered regarding such suspension, revocation, or other like action.

19. GENERAL PROVISIONS.

19.1. Covenants, Conditions, Restrictions and Laws. This Lease is subject and subordinate to the effect of any covenants, conditions, restrictions, easements, loans, mortgages, deeds of trust, ground leases, rights of way, and any other matters of record now or hereafter imposed on the Premises and to all zoning and building laws and regulations and all other state and local laws, statutes,

codes, ordinances, rules, regulations and other governmental requirements now in effect or becoming effective after the date this Lease is executed. Tenant will, upon request of Landlord, execute and deliver agreements of subordination in the form reasonably requested by Landlord and described in Section 17.

19.2. Time of Essence. Time is of the essence in the performance of all covenants and conditions to be kept and performed under the terms of this Lease.

19.3. No Implied Warranty. In no event will any consent, approval, acquiescence, or authorization by Landlord be deemed a warranty, representation, or covenant by Landlord that the matter approved, consented to, acquiesced in, or authorized is appropriate, suitable, practical, safe, or in compliance with any applicable law or this Lease. Tenant will be solely responsible for such matters and Landlord will have no liability therefor.

19.4. Survival. Any covenant or condition (including, but not limited to, environmental obligations and all indemnification agreements) set forth in this Lease, the full performance of which is not specifically required before the expiration or earlier termination of this Lease, and any covenant or condition that by its terms is to survive, will survive the expiration or earlier termination of this Lease and will remain fully enforceable thereafter.

19.5. Limitation on Liability. The obligations under this Lease do not constitute any personal obligation of Landlord or any of its owners, shareholders, officers, directors, or employees, and Tenant has no recourse against any of them. Landlord's liability under this Lease is strictly limited to whatever interest it holds in the Premises.

19.6. Brokers. Tenant and Landlord each represent to one another that they have not dealt with any leasing agent or broker in connection with this Lease.

19.7. Interpretation of Lease; Status of Parties. This Lease is the result of arm's-length negotiations between Landlord and Tenant and will not be construed against Landlord by reason of its preparation of this Lease document. Nothing contained in this Lease will be deemed or construed as creating the relationship of principal and agent, partners, joint venturers, or any other similar relationship, between the parties hereto.

19.8. No Recordation of Lease. This Lease will not be recorded without the written consent of Landlord, which consent will not be unreasonably withheld.

19.9. Capacity to Execute; Mutual Representations. Landlord and Tenant each warrant and represent to one another that this Lease constitutes a legal, valid, and binding obligation of that party. Without limiting the generality of the foregoing, each party represents that its governing board has authorized the execution, delivery, and performance of this Lease by it. The individuals executing this Lease each warrant that they have full authority to execute this Lease on behalf of the entity for whom they purport to be acting.

19.10. Nonwaiver. Waiver by either party of strict performance of any provision of this Lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision. No waiver shall be binding unless executed in writing by the party making the waiver.

19.11. Attorney Fees. In the event this Lease is referred to an attorney for collection of any sums due hereunder, or to enforce any other obligation of Tenant, Tenant agrees to pay Landlord's reasonable attorney fees even though no suit or action is filed thereon. In the event any suit, action,

or other legal proceeding is instituted to construe, interpret or enforce the terms of this Lease (including any bankruptcy, insolvency or similar proceeding affecting creditor's rights generally), the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorney fees at trial or on appeal of such suit or action, and on petition for review and for collection of any judgment, in addition to all other sums provided by law.

19.12. Notices. Any notice or other communication required or permitted under this Lease shall be in writing and shall be effective and deemed received the following business day when sent by a recognized overnight delivery service, upon the date of transmission when sent by facsimile or e-mail (electronically confirmed), on the third business day after the date of mailing when mailed by certified mail, postage prepaid, return receipt requested, from within the United States, or on the date of actual delivery, whichever is the earliest, and shall be sent to the parties at the addresses shown on the first page of this Lease, or at such other address as either party may hereafter designate by written notice to the other.

19.13. Successors. The rights, liabilities, and remedies provided in this Lease will extend to the heirs, legal representatives, and, as far as the terms of this Lease permit, successors and assigns of the parties. The words "Landlord," "Tenant," and other accompanying verbs or pronouns, whenever used in the Lease, apply equally to all persons, firms, or corporations that may be or become parties to this Lease.

19.14. Entire Agreement. This document (including any Exhibits attached hereto) is the entire, final and complete agreement of the parties related to the subject matter hereof and supersedes and replaces all written and oral agreements heretofore made or existing by and between the parties or their representatives with respect to such subject matter. Tenant hereby acknowledges that neither Landlord, nor any of Landlord's employees or agents, has made any oral or written warranties or representations to Tenant relative to the condition or use by Tenant of the Premises.

19.15. No Partnership. Landlord is not by virtue of this Lease a partner or joint venturer with Tenant in connection with the business carried on under this Lease and shall have no obligation with respect to Tenant's debts and other liabilities.

19.16. Landlord's Access To Premises. Landlord and its respective agents shall have the right to enter the Premises for the purposes of: (a) confirming the performance by Tenant of all obligations under this Lease, (b) doing any other act that Landlord may be obligated or have the right to perform under this Lease, (c) showing the Premises to any prospective tenant or purchaser, and (d) for any other lawful purpose. Such entry will be made only on twenty-four (24) hours prior notice and during normal business hours, when practical, except in cases of emergency, in which case Landlord will not be obligated to provide twenty-four (24) hours' notice of entry and may enter during non-business hours. Tenant waives any claim against Landlord for damages for any injury or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, or any other loss occasioned by the entry, except to the extent caused by the gross negligence or willful misconduct of Landlord. Tenant will provide Landlord with keys to all gates and doors in, on, or about the Premises, and Landlord will have the right to use any and all means that Landlord may deem reasonable to open the gates and doors in an emergency to obtain entry to the Premises. Landlord shall have the right at any time to place and maintain on the Premises notice for selling or leasing the Premises.

19.17. Proration of Rent. In the event of commencement or termination of this Lease at a time other than the beginning or end of one of the specified rental periods, then the rent shall be prorated as of the date of commencement or termination.

19.18. Severability. In the event any provision or portion of this Lease is held to be unenforceable or invalid by any court of competent jurisdiction, the remainder of this Lease shall remain in full force and effect and shall in no way be affected or invalidated thereby.

19.19. Amendment. No amendment or modification of this Lease shall be valid unless in writing and signed by duly authorized representatives of both parties.

19.20. Quiet Enjoyment. Landlord warrants that it is the owner of the Premises and will defend Tenant's right to quiet enjoyment of the Premises from the lawful claims of all persons during the Term.

19.21. Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original instrument and all of which together shall constitute a single agreement.

19.22 NNN. Tenant acknowledges and agrees that this Lease is intended to be a "NET NET NET" lease and Tenant shall pay all expenses associated with maintaining and operating the Premises during the term of this Lease, including, without limitation, real estate taxes, utilities, maintenance costs, repair costs, and any insurance premiums. Under no circumstances or conditions, whether now existing or hereafter arising, or whether within or beyond the present contemplation of the parties, shall the Landlord or its successor or assigns be expected or required to make any payment of any kind whatsoever, or be under any other obligation or liability hereunder, except as herein otherwise specifically set forth.

19.23 OFAC Compliance.

19.23.1 Tenant represents and warrants that (a) Tenant and each person or entity owning an interest in Tenant is (i) not currently identified on the Specially Designated Nationals and blocked Persons Listed maintained by the Office of Foreign Assets Control, Department of the Treasury ("**OFAC**") and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation (collectively, the "**List**"), and (ii) not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States, (b) none of the funds or other assets of Tenant constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person (as hereinafter defined), (c) no Embargoed Person has any interest of any nature whatsoever in Tenant (whether directly or indirectly) and (d) Tenant has implemented procedures, and will consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times. The term "**Embargoed Person**" means any person, entity or government subject to trade restrictions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C.A. § 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder with the result that the investment in Tenant is prohibited by law or Tenant is in violation of law.

19.23.2 Tenant covenants and agrees (a) to comply with all requirements of law relating to anti-terrorism, trade embargos economic sanctions, now or hereafter in effect, (b) to immediately notify Landlord in writing if any of the representations, warranties or covenants set forth in this Section 18.23 are no longer true or have been breached or if Tenant has a reasonable basis to believe that they may no longer be true or have been breached, (c) not to use funds from any "Prohibited Person" (as such term is defined in the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support

Terrorism) to make any payment due to Landlord under the Lease and (d) at the request of Landlord, to provide such information as may be requested by Landlord to determine Tenant's compliance with the terms hereof.

19.23.3 Tenant hereby acknowledges and agrees that Tenant's inclusion on the List at any time prior to the expiration or earlier termination of the Lease shall be a material default of the Lease, and the Lease shall automatically terminate. Notwithstanding anything to the contrary, Tenant shall not permit the Premises or any portion thereof to be used or occupied by any person or entity on the List or by any Embargoed Person (on a permanent, temporary or transient basis), and any such use or occupancy of the Premises by any such person or entity shall be a material default of the Lease.

19.24 Energy and Environmental Initiatives. Tenant shall fully cooperate with Landlord in any programs in which Landlord may elect to participate relating to the Premises' (i) energy efficiency, management, and conservation; (ii) water conservation and management; (iii) environmental standards and efficiency; (iv) recycling and reduction programs; and/or (v) safety, which participation may include, without limitation, the Leadership in Energy and Environmental Design (LEED) program and related Green Building Rating System promoted by the U.S. Green Building Council. All carbon tax credits and similar credits, offsets and deductions are the sole and exclusive property of Landlord.

19.25 Governing Law. This Lease shall be governed by the laws of the State of California applicable to transactions to be performed wholly therein. If suit is initiated against any party hereto for any cause or matter arising from or in connection with any rights or obligations of the parties under this Lease, the sole jurisdiction and venue for such action shall be the Superior Court of the State of California for the County in which the Premises is located.

19.26 Due to the sensitive nature of the Permitted Use, the Parties shall hold in strict confidence all documents and information learned from one another in connection with this Agreement and the Permitted Use. No public disclosure, either written or oral, of the existence or terms of this Agreement shall be made by either party without the written consent of the other. The foregoing provision shall not, however, be construed to prohibit any party from making any disclosures to any governmental authority that they are required to make by law or to prohibit any party from disclosing to their accountants, consultants, investors, attorneys and other parties involved with this Agreement.

[SIGNATURES TO FOLLOW ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Lease to be executed in duplicate on the day and year first above written.

LANDLORD:

THOMAS A. COLOGNA

THOMAS A. COLOGNA


TENANT:

MWG HOLDINGS LLC, a California limited liability company

By: _____

Name: _____

Title: _____



David Spaulter
CEO

IN WITNESS WHEREOF, the parties have caused this Lease to be executed in duplicate on the day and year first above written.

LANDLORD:

THOMAS A. COLOGNA

Thomas Cologna

THOMAS A. COLOGNA

TENANT:

MWG HOLDINGS LLC, a California limited liability company

By: *David Spradlin*

Name: *David Spradlin*

Title: *CEO*



MWG
HOLDINGS GROUP, INC.

[REDACTED]
SACRAMENTO, CA 95815
[REDACTED]

Memo to File

MWG Holdings, LLC converted to MWG Holdings Group, Inc. on March 4, 2019.